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## Impact of consumer education and knowledge on purchase intentions within services industry: a study of symbiotic analysis in Mexico

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

**Keywords:** consumer knowledge; purchase intention; consumer behaviour; operational efficiency; services marketing; Mexico.

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## **1 Introduction**

Most firms are shifting their marketing philosophy to consumer orientation by offering quality services in order to acquire and retain consumers in increasing global competition. Through building personal relationships with the existing and potential consumers, firms look towards inculcating the consumer loyalty. However, developing relations appears to be challenging with educated consumers, as they are inquisitive, explorative and meticulous in seeking information and solutions through services offered by the firms. Consumer centric firms focus on providing the consumer services across the table giving access to comprehensive information that can satisfy the emerging issues of the consumers. Such attention to detail requires well-trained and alert salespeople and efficient back office personnel. The competitive services marketing firms drive efforts to cultivate relationship competencies by ways of articulating their reasons for consumer satisfaction, learn to build pro-consumer rationale in resolving post-sales issues, build and retain alliances with more powerful consumers and excel in co-creating business culture within their consumers (Isenberg, 2008).

Consumer education is a by-product of consumer information and consumer protection. The growth of consumer consciousness in the course of the last decade has caused a great awareness of the need for consumer education (Rudinger, 1967). However, from the perspective of strategic marketing, consumer education may be considered as a competitive effort, which is unique to the firm and its products and services (McNeal, 1978). Consumer education may be defined as the way of updating knowledge of an by involving him in the learning process through skills, concepts and understanding that are required for everyday consumption and living with an objective to achieve maximum satisfaction and utilisation of resources (Burton, 2002). Consumer education enhances the knowledge on brands, products and services and helps in decision-making process. The level of product knowledge affects the pattern of information use due to the increased familiarity of consumers in a better-developed knowledge structures or 'schema' about the product (Rao and Monroe, 1988; Phau and Suntornnond, 2006).

The purpose of this study is to analyse empirically the role of education in transforming services marketing strategies of the firms. The basic argument of this article is that the level of education among consumers empowers the consumers' behaviour of acceptance or rejection to the services offered by the firms based on the knowledge, peer experience, brand value, competitive advantage and operational efficiency of the services. The study is carried out in Mexico through pragmatic investigation among the consumers subscribing to the communication and entertainment services. The analysis of primary data is developed around the theory of action that demonstrates the skills and confidence of individuals or groups towards making decision in acquiring or hiring services to improve their quality of life. This study meticulously rows several arguments on how consumers with level of education scrutinise the benefits offered by the firms marketing their communication and entertainment services and build their value propositions on the services bought or contracted. This article concludes upon analysing the data that the firms with indistinct information and unclear marketing strategies fail to create higher and sustainable consumer value with the consumers having high educational profile than those having low educational background. This study contributes to the existing literature significantly, as no substantial research has been contributed so far towards measuring the relationship between the consumer education and effectiveness of services marketing in Mexico.

## **2 Literature review and framework of hypotheses**

### *2.1 Education, knowledge and consumer insights*

Consumer education, knowledge and insights have the linear relationship. A consumer with relatively higher education is expected possess higher knowledge on brands, products and services; hence, would also be able to develop new and differentiated insights to support his purchase intentions (Gustafson et al., 2016). Consumer education and knowledge on reading and understanding labels affect the purchase intentions and decision-making process. Knowledge is the evident variable in pre- and post-purchase, as well as in validating the purchasing decisions of consumers (Merwe et al., 2014). The level of consumer education is the key factor to measure the service quality delivered and the way it has been delivered (functional service quality). Consumer education is also positively associated with consumer expertise on the products and services, which are intended to be purchased. It has been observed that where there is a significant amount of research on consumer knowledge and expertise, there is relatively less understanding of how the convergence of their knowledge with services quality determines the perceived value and satisfaction (Eisingerich and Bell, 2007). Despite growing concerns over the consumer education and services quality, there exists a significant relationship between service quality and consumer satisfaction (Amponsah and Adams, 2016). Therefore, services companies are apply knowledge effectively to generate higher benefits for their consumers (Martelo-Landroguez and Martin-Ruiz, 2016). Shoppers receiving consumer education display progressively higher levels of savings with better awareness on pricing and services options (Weeks et al., 2016). In a competitive marketplace firms tend to develop consumer oriented strategies and stay compatible to the consumers' knowledge. Service-driven market orientation strategy consists of six components comprising consumer orientation, competitor orientation, inter-functional orientation, performance orientation, long-term orientation and employee orientation that have a significantly strong and positive relationship with service quality. Marketing and technological capabilities fully mediate the relationship between a firm's service-dominant orientation and firm performance (Voon, 2006; Wilden and Gudergan, 2017). Consumer education programs can provide significant benefits, including identification of market information, complaint and consumer redress procedures and understanding a more technology-based consumer environment (Oumlil and Williams, 2000). Consumer education programs in services industry benefit consumers towards perceiving higher knowledge, reducing cultural distance, lowering interaction comfort and achieving higher service quality and satisfaction (Sharma et al., 2015). Hence, in view of the above discussion, the hypothesis can be structured as:

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

The focus of consumer education in the global market environment has significant impact on the services industry. Firms involved in managing resources or designing options, from which consumers make choices, are in a much better position for influencing how social, cultural and environmental resources are used. In order to actualise this potential, the firms position their services in congruence to the consumer education and develop self-efficacy, capacity for effective advocacy and interdisciplinary collaboration. Firms also help in raising consumer awareness and the services quality of firms and social and

moral responsibilities associated with professional practice (Sibbel, 2009). The experiences of Kraft, Procter and Gamble and Netflix towards innovation, technology, use value and value for money have exhibited how consumer companies can prompt cognitive drive among consumers, improve consumer experience, inculcate the sense of brand association and loyalty and find incremental ways to grow in the competitive marketplace (Dutra et al., 2014). Firms delivering services influence the degree of quality of services in references to the education of consumers, skills and cognitive abilities toward reviewing the efficiency of services. Thus, services marketing firms try to build co-shopping and co-reviewing with consumers of different levels of education (Sabrina, 2005). Consumer education programs have been initiated by consumer product manufacturing and super market chains in emerging markets empower consumers with utilitarian judgments and consumer choice, which ideology strengthens consumer relations (Davidson, 2013). It has been observed that often consumers with high level of education develop negative perceptions on services marketing firms. These consumers resist the services firm's deceptive practices (perceived deception) on consumer's relational variables (satisfaction and loyalty intentions to the online retailer). Consumers pursue multiple goals within the consumption experience, whereas the importance of those goals differs across consumption episodes within the experience. Considering the quality as a service attribute, it was found that progress in achieving goals moderates the impact of service attributes on consumer satisfaction (Noone and Mattila, 2009). Therefore, the following hypothesis is posited:

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

High power consumers have greater self-oriented action thoughts while low power consumers have greater ruminative thoughts. High power consumers expect providers to focus on the core service while low power consumers have expectations regarding the interpersonal component of service delivery. High power consumers feel emotions that are more positive, less negative emotions and greater satisfaction than low power consumers do, but there was no difference in the expressivity of emotions. Emotion expression mediated the relationship between emotions and satisfaction for high power consumers but not for low power consumers (Menon and Bansal, 2007). Consumers enrich informal knowledge through socialisation, or the willingness to share related skills to peers. Such knowledge enhancement attitude influences the willingness to learn and develop new consumer skills, including decision-making. Therefore, socialisations of consumers enable social exchange of knowledge and ideas over the individual consumption experiences (Aleti et al., 2017). Therefore, based on the foregoing review of the literature and previous research, the following hypothesis is advanced:

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

## *2.2 Branding and pricing determinants*

The value of commercial expertise is one of the most important determinants of both consumer satisfaction and identification of their services provider. Besides, corporate social responsibility contributes to building consumer identification with the company which is positively correlated to satisfaction too. Satisfaction thus is considered as both

an affective and cognitive consumer response in the services industry which, along with identification, finally determines the attitudinal loyalty a consumer shows towards their provider (Perez et al., 2013). Buyers often communicate positive and negative purchasing experiences through word-of-mouth and social media, which creates special problems and opportunities to position products and services for marketers. Price mavenism that is associated with price-information searching and price-sharing behaviour, is often considered a negative dimension of price (Byun and Sternquist, 2010). A study reveals that demand for telecommunications services consumers endorse strong positive impacts of nine-ending and zero-ending prices. However, the demand for a common bundle of telecommunications services like wired telephone service, broadband internet and cellular telephone services, consumers tend to compromise even at prices (Larson et al., 2014). Some consumers have a tendency to be especially involved in the marketplace. They acquire information about many kinds of products, places to shop and other facets of the market; and they engage in many product related conversations with other consumers to share their knowledge. These consumers 'market mavens' to denote their enthusiasm for shopping, buying and talking to others (Goldsmith et al., 2006). Females prefer a brick and mortar environment and are likely to seek information at such retailers, even when similar products are available online. However, males evaluate online offers better than identical store offers and are less inclined to engage in channel transition. The evaluations of online offers show positive relationship to price knowledge, whereas a reverse pattern of results is obtained for retail offers (Chandrashekar and Suri, 2012). In reference to the above discussion, hypothesis may be framed as:

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

It is no longer enough to evaluate the price-quality relationship, but the whole lifecycle of commodities has to be traced. Bargain of commodities requires many skills, but the bargain of services requires new skills. The bargain of services requires consumer to be able to manage and evaluate skills bargained and increases administrative work. The educational system is challenged to teach these things more extensively and effectively to consumers. The consumption education in the context of growing information and communication technology may be understood as a pivot in transforming consumers' behaviour and producing additional capabilities for the consumer to become a rational buyer of products and services (McGregor, 2007). Knowledge on price acquired by the consumers in reference to quality establishes link between brand perception elements and organisational performance. Such knowledge analytics among consumer help telecommunication companies to develop effective advertising campaign for disseminating knowledge and design consumer satisfaction programs (Buzdar et al., 2016). There are several variables for measurement needed to qualify a person's product-price knowledge. It has been observed that the behavioural factors like price consciousness, the use of a shopping list and shopping frequency and brand confidence actively influence in one's product-price knowledge, even though the impact structure is not uniform (Pechtl, 2008). High price-quality correlations on products and services brands indicate that a higher price signals indicate higher product quality. The price-quality relationship for private food labels implies strong competition among brand owners, based on the price and quality of their products (Olbrich and Jansen, 2014). Buyers search differently on premium price products and simultaneously they compare low price products. This behaviour depends on the search costs of the purchase situation

and the knowledge of the buyer involved (Smith, 2000). Considering the discussion on consumer behaviour on pricing of services, the following hypothesis has been constituted in the study:

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

### *2.3 Consumers' knowledge and quality perception*

Consumers with good level of knowledge and education perceive that quality is the key to assessing whether or not the industry provides the desired service. Consumers hold the key to business survival and success. However, there is a gap between managers' perceptions of consumers' expectations and actual consumers' expectations. The main implication for the digital entertainment and communication industry is for managers to develop strategies which will meet consumers' expectations of service quality. The knowledge-based consumer service automation system incorporates various artificial intelligence technologies such as case-based reasoning, which is used for achieving four perspectives of knowledge acquisition, service logistics and consumer service automation and performance measurement, respectively (Cheung et al., 2006). However, besides services technology and automation benefits, consumer emotions influence service quality perceptions ultimately leading to purchase intentions. The role of ethnocentrism also delineates service quality and purchase intentions (Kashif et al., 2015). Consumers of services have expectations about what they will receive from the delivery system. These expectations are beliefs about future events which, when compared with the perceived actual service delivered, are presumed to influence satisfaction and assessments of overall service quality (Coye, 2004). In view of the discussion in the pre-text, hypothesis may be advanced as:

- H4(a) As consumers acquire higher knowledge on services contracted, they turn more conscious on the quality of services.
- H4(b) Cognitive barrier of consumers for switching the services will increase as the perceived services quality and satisfaction increase.

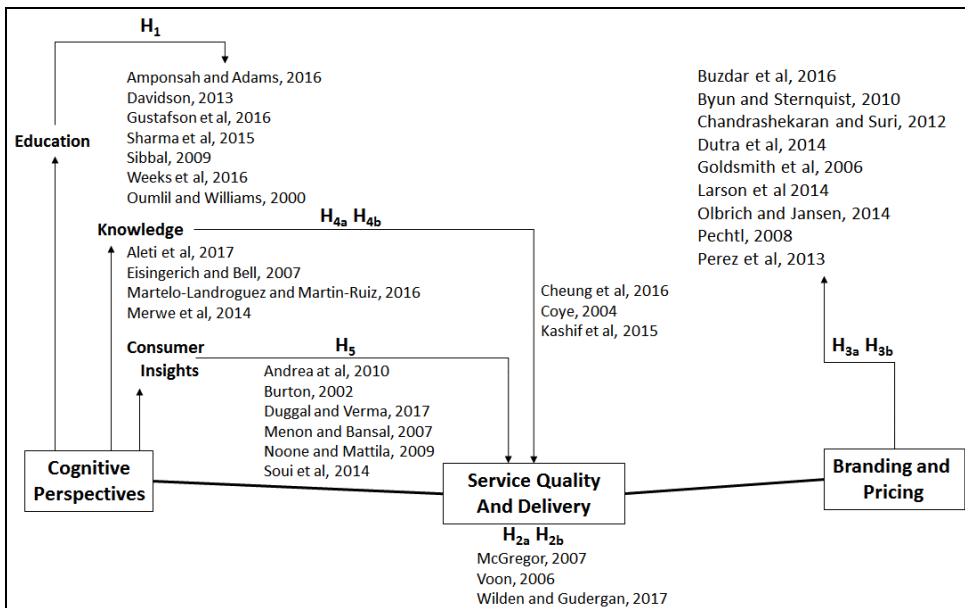
In emerging markets, most consumers who have technical knowledge in the specific services could help the firms in developing the services competitive, attractive and potential in generating revenue as well as offer high value to the consumers. Firms must involve consumers in developing such co-creation. Firms should also aim at low-income segments and cater to consumers' tendency to buy many of the cheapest services. In order to stay ahead in the competition firms should develop their service stores into centres of learning, where shoppers can fill the gaps in their product knowledge (D'Andrea et al., 2010). Despite discussions in the pretext, it may be stated that the service quality is not universal. It is a context-specific phenomenon and is affected by multi-dimensional perceptions of consumers (Duggal and Verma, 2017). Services quality is a sustainable source for the firms to gain competitive advantage in the services sector. Service quality drives differentiation, adds value to service offerings and is a tool to win strategic competitive advantage. Firms in competitive marketplace intend to impart consumer education as part of a package of service quality initiatives (Burton, 2002). Personalised services is a rapidly development area, which aims at delivering customised

services to augment the consumer satisfaction. The aim of such system is to provide the user with relevant information to deliver preferred learning about maximising the services utility and develop sustainable perceived values (Soui et al., 2014). Hence, the hypothesis may be framed as:

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

All hypotheses constructed for the study have been support with the relevant literature review, which has been exhibited in Figure 1.

**Figure 1** Literature review map and hypotheses



### 3 Study design

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

**Table 1** Variables chosen for the study

<i>Variables by category</i>	<i>Information and knowledge</i>			<i>Services efficiency</i>		<i>Cognitive attributes</i>
Analytical segments	Knowledge-empowerment (VS <sub>1-8</sub> )	Services knowledge-brand value (VS <sub>2-5</sub> )	Knowledge-services delivery (VS <sub>3-6</sub> )	Services delivery-services efficiency (VS <sub>4-7</sub> )	Knowledge-services efficiency-consumer satisfaction (VS <sub>5-5</sub> )	
Hypotheses setting	H <sub>1(a)</sub> , H <sub>2(b)</sub>	H <sub>2(a)</sub> , H <sub>5</sub>	H <sub>3(b)</sub> , H <sub>4(a)</sub>	H <sub>3(a)</sub>	H <sub>3(a)</sub> , H <sub>4(b)</sub> , H <sub>5</sub>	
Description of variables selected for data collection	Services information Trustworthiness Period of association  Communicability Social value Knowledge acquisition Empowerment	Innovativeness Technology Value and lifestyle  Corporate reputation Sustainability	Monitoring Services differentiation  Services attributes Services delivery Services quality Services bundling	Services deliverables Service pricing Consumer relations  Competitive advantage Operational values Sincerity Value addition competence	Need Consumer beliefs Consumer satisfaction Switching behaviour Purchase intention	

Note: VS = variable segment with number of variables in the segment.



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

Questionnaires were initially drafted in English and later translated in Spanish for use in Mexico. Items were modified to fit the Spanish language and to accommodate all consumers and questionnaires were double back-translated (Churchill, 1979). A pilot test showed that consumers understood the questions correctly. Questionnaires were administered by the undergraduate students of marketing program. In translating some questions, the technique of equivalence or reformulation has been used to give a correct sense to the sentence. Seven sources of influence included consumer education, fellow consumers, product knowledge, awareness on innovation and technology, product experience, competitive advantage (e.g., price, promotion and post-sales services) and inter-personal experience with the salespeople. Six impersonal sources of influence included social network contents, product information brochures, internet, do-it-yourself experience and store displays.

Respondents were asked to indicate on a four-point Likert scale (1-Totally agree; 4-Totally disagree) when they make a purchase decision on fashion apparel. Much research in academia uses a five-point scale because researchers believe that it may produce more reliable or valid results. However, the response format of this study used a four-point scale because the researchers believed that deleting the neutral point might result in responses that are more accurate. The four-point Likert scale was constructed to avoid the redundancy of data at a particular point, which demonstrates the statistical indifference (Bendig, 1954; Chang, 1994). The number of scale points did not affect the criterion-related validity. The issue of selecting four-point versus other point scales may depend on the empirical setting than any general phenomenon (Chang, 1994). The rating scale to measure personal attributes, which are four-point or six-point Likert scale, can be considered as the model, which is appropriate for measurement (Chang, 1993). The scale is cutting the opportunity of choice for answering without considering the items of measurement (Chomeya, 2010).

### *3.1 Construct of measures and data validation*

The constructs of the study were measured using reflective indicators showing effects on the core variables. The role of consumer education on service efficiency in reference to entertainment and telecommunication services is derived from 18-variables segment comprising consumer knowledge on services, empowerment, brand value and consumer satisfaction related variables ( $VS_1$ ,  $VS_2$  and  $VS_5$ ). The efficiency of services delivered

was measured with 13-variables (services delivery-VS<sub>3</sub> and services efficiency led variables-VS<sub>4</sub>) on a self-appraisal perceptual scale derived originally on the basis of focus group analysis as referred in the pretext.

Constructs related to the role of consumer education and cognitive factors determining the services performance (VS<sub>1</sub> and VS<sub>2</sub>) were measured using 13-variable 'self-appraisal perceptual scale' comprising services information, trustworthiness, social value, empowerment, innovativeness, value and lifestyle, corporate reputation and sustainability of services. Construct of services efficiency (VS<sub>4</sub>) was measured in reference to 13-variable 'self-appraisal perceptual scale' consisting of services differentiation, delivery, services quality, services bundling, pricing and competitive advantage. The perceptual behaviour of consumers that supports the value generation and helps in developing purchase intentions (VS<sub>5</sub>) were measured using five variables including need, belief, satisfaction, switching behaviour and purchase intentions. Other variables were selected on the basis of focus group discussion. All reflective constructs for all variable segments of the study were analysed through the factor analysis model as a single confirmatory test. The goodness-of-fit statistics<sup>1</sup> comprising chi-square statistics (6.31), root mean square error of approximation (0.158), Tucker-Lewis fit index (0.725), comparative fit index (CFI) (0.831) and incremental fit index (IFI) (0.714) indicate that the model used for analysis in the study fits the data adequately. All variables were loaded significantly on their corresponding segments which revealed significant p-value at 0.01 to 0.05 levels.

#### 4 Model specification

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

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

The above equation represents the response of consumers to services marketed in a given market  $j$  for product  $i$ , ( $\mu$ ) denotes the consumer preference for the services in reference to services delivery time ( $b'$ ) and knowledge acquired on services contracted ( $k$ ), ( $\gamma_1$ ) represents the trust on the firm, ( $\gamma_2$ ) denotes inclination towards buying decision persuaded by innovation and technology associated with the services, ( $\gamma_3$ ) shows the buying behaviour derived by the operational efficiency of services and ( $\tau$ ) refers to the structural parameter relating to the endogenous variables to one another.

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

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

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

## 5 Results and discussion

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

It has been observed during the study that the firms offering entertainment and telecommunication services in the study region do not educate the consumers prior to selling the services. On the contrary inquisitive consumers get themselves educated on the services offered by the firms in acquiring knowledge from the available resources such as information available on the Internet, social media and through peer interactions on buying experiences. The estimation of the constructs has been carried out using the equation (2) and the results of estimations are exhibited in Table 3.

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

**Table 2** Descriptive statistics for the selected variable groups for the study

<i>Variable groups</i>	<i>Knowledge-empowerment (VS<sub>1-8</sub>)</i>	<i>Services knowledge-brand value (VS<sub>2-5</sub>)</i>	<i>Knowledge-services delivery (VS<sub>3-6</sub>)</i>	<i>Services delivery-services efficiency (VS<sub>4-7</sub>)</i>	<i>Knowledge-services efficiency – consumer satisfaction (VS<sub>5-5</sub>)</i>
Sample size	225	225	225	225	225
Mean	5.379	6.631	7.583	5.291	5.836
Standard deviation	0.874	0.649	0.627	0.882	0.614
Standard error	0.082	0.073	0.051	0.066	0.068
Skewness	-0.846	-1.022	-0.739	-0.670	-0.843
Sample variance	0.654	0.496	0.584	0.754	0.504
Factor loading communalities	4.317	3.728	4.294	5.039	4.521
Data reliability test-Cronbach ( $\alpha$ ) scores	0.82	0.73	0.87	0.81	0.77

Note: VS = Variable segment. Figures in parentheses indicate number of variables.

**Table 3** Estimations of structural equations

Services segments		Parameters										
Shopping clusters	Respondents	$C_{var}^{it}$	$(\gamma_1)$	$(\gamma_2)$	$(\gamma_3)$	$(\beta)$	$(\mu b')$	$(\mu k)$	SE	Chi-square		
ENT-TM	186	0.669*	0.731*	0.834*	0.633*	0.633*	0.724*	0.622*	2.914	84.06		
ENT-VS	21	0.481**	0.249	0.392**	0.422**	0.522**	0.439**	0.535*	4.618	11.72		
TELCO-TM	165	0.751*	0.742*	0.851*	0.737*	0.737*	0.712*	0.521**	2.487	76.20		
TELCO-CSC	74	0.314+	0.331**	0.472**	0.191	0.391**	0.280+	0.591*	1.466	97.44		

Notes: ENT-TM = Entertainment services purchased through telemarketing.

ENT-VS = Entertainment services contracted through virtual shops.

TELCO-TM = Telecommunication services purchased through telemarketing.

TELCO-CSC = Telecommunication services contracted through consumer services centre.

\*p < 0.01, \*\* p < 0.05, +p < 0.10, SE = standard error.

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

n = 225.

The results presented in Table 3 indicate that consumers with acquired knowledge on services intending to purchase, measure the level of satisfaction ( $C_{sat}^{it}$ ) by analysing the trust in service provider, innovation and technology inputs in the services offered and the degree of operational efficiency. The results indicate that the level of consumer satisfaction of the services procured is higher in telemarketing channel for entertainment ( $C_{sat}^{it} = 0.669, p < 0.01$ ) and telecommunication ( $C_{sat}^{it} = 0.751, p < 0.01$ ) services as compared to the other marketing outlets. However consumers attempt to acquire information from alternate sources, most effectively through word of mouth for analysing efficiency of services offered. Accordingly, consumers reach deeper levels of information processing under low involvement using their knowledge on sales promotions to determine the level of perceived risk (Van Raaij et al., 2001). Mexican services firms operate in restrained market competition and cannot afford losing a consumer. Hence, orders for services are randomly accepted in order to keep serving the consumers. As a result and as an effort to compensate for possible financial losses due to this volatility, Mexican retail services segment as a common practice takes on more work orders than they can normally complete on time causing dissatisfaction among consumers and trigger switching behaviour (Elahee and Brooks, 2004). In view of the above analysis, the results have been found consistent with hypotheses  $H_1$ ,  $H_{2(a)}$  and  $H_{2(b)}$ .

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

**Table 4** Measures of core constructs

Constructs	Statistical measures	
	Robust weight	Optimal weight
Consumer knowledge ( $C_{kno}^i$ )	0.816*	0.790
Services attractiveness ( $A_{ser}^{it}$ )	0.633**	0.512
Consumer satisfaction ( $C_{sat}^i$ )	0.794*	0.638
Services switching ( $C_{swt}^i$ )	0.275+	0.481
Services efficiency ( $S_{eff}^i$ )	0.783*	0.736
Coefficient of trend variable ( $\beta$ )	0.571**	0.558

Notes: \* $p < 0.01$ , \*\*  $p < 0.05$ , + $p < 0.10$ .

**Table 5** Impact of consumer education on services purchase intentions

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

Notes: a = Variables are described in equation (2).

\* $p < 0.01$ , \*\* $p < 0.05$ , + $p < 0.10$ .

n = 225.

The impact of consumer education on purchase intentions of services through different channels has been analysed in reference to the data on various functional variables in Table 5. Consumers who have updated knowledge on the services, which they intend to contract, expect higher quality of services. However, the perceived quality of services among consumers differs across the services channels. The results exhibited in the Table 5 indicate that perceived services quality in all services marketing channels is statistically significant except on virtual channel for purchasing entertainment services ( $Q_{ser}^i = 0.229$ ). However delivery of telecommunication services were found significant through the telemarketing ( $S_{del}^i = 0.756, p < 0.01$ ) and consumer services centres ( $S_{del}^i = 0.722, p < 0.01$ ). Consumers acquire adequate knowledge on services pricing from all marketing channels to determine their purchase intention. The results presented in the above Table indicate that the higher the price advantages of services [ENT – TM( $B_{sp} = 0.623, p < 0.01$ )] the stronger the purchase intentions ENT – TM( $B_{sp} = 0.630, p < 0.01$ )] in entertainment service product. Similar inference can be drawn to measure the purchase intentions of consumers towards telecommunication services through the telemarketing [TELCO – CSC( $C_{bt} = 0.561, p < 0.05$ )] channel and consumer service centre [TELCO – CSC( $C_{bt} = 0.617, p < 0.01$ )]. Consumers also gain awareness about the brand reputation on services offered to determine their purchase intentions. Hence, the results discussed above are consistent with the hypotheses  $H_{3(a)}$ ,  $H_{3(b)}$  and  $H_{4(b)}$ .

The correlation matrix of peripheral variables of construct is exhibited in the Table 6 which reveals that the availability of information on services offered builds trust among consumers about the services intended to be purchased ( $V_2, V_1: r = 0.0621, p < 0.01$ ) and trust on specific service products help consumers to perceive higher brand value ( $V_1, V_3: r = 0.0742, p < 0.01$ ). Trustworthiness of services has positive implication on enhancing social value ( $V_1, V_3: r = 0.0748, p < 0.01$ ) and strengthening the consumer intentions to

purchase services ( $V_3, V_7: r = 0.675, p < 0.01$ ). Consumers reinforce their intentions towards buying services as they learn price advantages ( $V_6, V_7: r = 0.819, p < 0.01$ ) and association of innovation and technology ( $V_4, V_1: r = 0.396, p < 0.10$ ) with the services. Firms develop sustainable services packages integrating services information, innovation and technology and price advantage over competing services. Integration of these variables in marketing of services helps the service providing firms in co-creating the social and brand value with consumers and delivers higher satisfaction to them. Accordingly, the results discussed above are found consistent with the hypotheses  $H_{3(a)}$ ,  $H_{3(b)}$  and  $H_5$ .

**Table 6** Pearson correlation matrix of principal variables of construct

Variables	Mean	SD	$V_1$	$V_2$	$V_3$	$V_4$	$V_5$	$V_6$	$V_7$
Trustworthiness ( $V_1$ )	3.29	0.816	1.000						
Information on services ( $V_2$ )	3.65	1.284	0.621*	1.000					
Social value ( $V_3$ )	4.62	1.193	0.748*	0.644*	1.000				
Innovation and technology ( $V_4$ )	4.82	0.814	0.351+	0.512**	0.745*	1.000			
Brand value ( $V_5$ )	3.46	0.432	0.742*	0.324+	0.826*	0.612*	1.000		
Price advantage ( $V_6$ )	3.74	0.209	0.542**	0.251	0.628*	0.623*	0.575*	1.000	
Purchase intention ( $V_7$ )	2.96	0.145	0.473**	0.791*	0.675*	0.396+	0.622*	0.819*	1.000

Notes: \* $p < 0.01$ , \*\* $p < 0.05$ , + $p < 0.10$ , SD = standard deviation,  $n = 225$ .

## 6 Managerial implications

Consumer education and counselling should be introduced by the services firms for specific services like health, education, telecommunication, finance, etc. Such support on the consumer education would enhance information analysis and decision making abilities. Most of the services firms are of the view that there exists high demand for services like entertainment, telecommunication, transport, education, health, banking and insurance and believe that services can be sold easily to the stressed consumers, which is not a correct notion in the growing market competition. However, marketing professionals have often oversimplified the problem of building successful services brands by educating the consumers on the services offered by the firm, the consumer relations could play an important strategic role. In view of the above discussion, following managerial implications emerge from the study:

- Companies can influence consumers' decision to buy services by sharing information on brand value, services attributes, price, consumer benefits and possibilities of periodical upgrade of services during the time of contracting services.



- Companies must encourage interactive consumer activities involving employees of the firm in educating the consumers about the comparative advantages. Such initiatives by the services marketing firms would make the consumer feel a greater sense of value for money and trust.
- Continuous and effective interactions of employees of the company with consumers would make them stay long with the firm and narrow down the options of services switching.
- Consumers' knowledge on services offered by the firm may be enhanced by strengthening the information dissemination through various Internet platforms. The most common and cost-effective approach to marketing on-line is search-term marketing, service, or related features of the services.
- Encouraging online marketing of services (contracting, enhancements, payments and complaints handling) involves low search costs and high information diffusion on search-oriented Web sites such as Yahoo!, Google, Lycos, MSN and many others. The idea is that there is no better time to try to drive a consumer to the relevant Web site than when the consumer has just searched for an alternate service.

Besides above consumer-centric implications, services companies should also consider some general perspectives towards improving the quality and delivery of services. It is important for the services marketing firms to attain efficiency in services delivery with quality. Managers should ensure quality decision-making among consumers and within firm as well through tactical and strategic relations. Firms should conduct periodical consumer research to learn quickly and easily about the need, problems and functional issues associated with the consumers for hiring the services.

## **7 Conclusions**

This study discusses the role of consumer knowledge in developing intentions towards purchasing services of entertainment and telecommunication, which are essential in today's socio-economic lifestyle. The study reveals that consumers attempt to acquire information from various sources on the services offered by the firms. Consumers analyse the operational efficiency of the services and competitive advantages in reference to price, delivery of services, quality of services and value for money upon purchase of services. The results of the study reveal that consumers intend to acquire comprehensive knowledge on the contracted services to monitor efficiency of services delivery and as consumers acquire higher knowledge on the contracted services they intend to demand better quality of services. The study observed that consumers are sensitive to the price of services and express their perceptions among peers on purchase intentions. However, consumers who are dissatisfied with the services offered are induced to switch the services from the present service provider. The study reveals that most services marketing firms do not give priority to the consumer education on services and refrain from complying with the pre-sales promises that prompts switching behaviour among the consumers. The discussions in the study also divulge that purchase intentions on services are largely driven by services attractions, inter-personal influences, consumer-employee relations and comparative gains. Major factors that affect shopping purchase intentions

include services innovation and technology, services upgrades, virtual support, brand value and price.

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

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## Notes

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