Original Article

Consideration sets for financial services brands

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ABSTRACT This study examines the extent of consumer information search and consideration of financial services brands. It uses data from two surveys of purchasing behavior. This study finds a surprisingly low level of consumer consideration, either by personal enquiry or via the internet. The most common consideration set comprised only one brand, and this was the case for both high-value and low-value services. The managerial implication is that services marketers should make brand salience a top priority, with the competitiveness of their offer not being the primary driver of sales. If a financial services brand is salient to a consumer, there is a very high chance they will purchase that brand, without extensive comparison of the merits of alternatives.
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INTRODUCTION: CONSIDERATION OF HOW MANY POTENTIAL CHOICES?

One of the cornerstone concepts in marketing is the buyer decision process, entailing a sequential narrowing of a broad range of potential alternatives to a specific brand choice. A consumer is said to engage in an approximation of the following process: firstly recognize a problem, then elicit an awareness set comprising a subset of the total number of alternatives, narrow that selection to a consideration set and evaluate brands in the consideration set on multiple important attributes (for example Blackwell *et al*, Chapter 5, Schiffman and Kanuk, Chapter 16[1,2]). For example, a consumer might notice a well-worn tyre on her motor vehicle and recognize it needs replacement. She has memory traces of four tyre retailers. Two of these are evoked into a consideration set. The consumer evaluates the two retailers for price, convenience and brand image, and chooses one retailer because she perceives it to be superior on one or more of these important attributes.

The terminology used to describe the subset of brands evaluated by the consumer

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varies across authors and studies. The term 'evoked set' was coined by Howard and Sheth.[3] The terms consideration set[4] and evaluation set (for example Friedman and Smith[5]) are also used. The extent of consideration, or evaluation, that occurs is believed to be contingent on the level of involvement the consumer has in the purchase.[6,7]

Textbooks typically describe packaged goods as low-involvement purchases. This, however, is not without controversy. Many advertising and branding agencies that derive income from packaged goods brands design their campaigns around engendering consumer involvement. In addition, academic studies have examined the extent to which consumers feel they have *relationships* with brands in packaged goods or food categories, (for example Fournier[8] and Fournier and Yao[9]) implying considerable consumer involvement. However, the phenomena of widespread repertoire buying by consumers,[10] and observation studies that show in-store perusal of brands is usually only cursory (Dickson and Sawyer[11], see also Hoyer[12]) suggest high levels of consumer involvement for such purchases is the exception rather than the rule.

At the other end of the involvement spectrum is the purchase of a good such as an automobile. Car purchases are considered high involvement in all aspects: high interest, high symbolic value, high hedonic value and high risk.[13] Although search costs are high, potential buyers should carefully collect and analyze data on the products offered by competing suppliers due to the high level of expected returns for this work. Yet, in a survey of 1008 new car buyers in France, 22 per cent of buyers had a consideration set of just one brand.[13] Moreover, it is likely this claimed consideration exaggerates the amount of active consideration that actually took place. The reason is that 48 per cent of the buyers bought the same brand they bought previously, a repeat-purchase loyalty rate consistent with data from United Kingdom and European car buyers.[14] The repeat-purchase rate suggests that the previous brand is nearly always considered (Lapersonne *et al*[13] suggests 78 per cent of the time). Importantly, consumers often consider the previous brand alongside very few others.

In recent years, e-commerce has been seen to have the potential to revolutionize consumer behavior, by facilitating information search and consideration of competitive brands. However, research has found very limited online search behavior. For example, Johnson *et al*[15] investigated the extent of web-based information search. Using panel data from over 10 000 internet households, they found that on average, households visit only 1.2 book sites, 1.3 CD sites and 1.8 travel sites during a typical active month in each category.

Our interest in this study pertains to consideration of competitive alternatives in service contexts. We now discuss relevant literature on the topic and formulate a series of research questions.

PRIOR LITERATURE AND RESEARCH QUESTIONS

A basic tenet of services marketing is that services are different from goods. The characteristics of intangibility, non-standardization, simultaneity of production and consumption are well known to services marketers (for example Lovelock[16]). Due to these characteristics, consumer behavior in terms of pre-purchase search and consideration for services is suggested to be different than for goods. Empirical evidence suggests consumers perceive higher risk in the purchase of services generally.[17] Certainly, many services such as banking and insurance (the ones examined in the present study) are often expensive, can be complex, purchased infrequently and involve risk. A poor selection of provider for a loan, for example, could incur considerable expense for the consumer. An insurance policy that excludes certain coverage could be disastrous for the consumer, who is then unable to claim after an accident. Even transaction accounts carry ongoing fees and charges, suggesting there is risk in purchasing the wrong product. Consumers therefore have an interest in comparing and evaluating across providers for such products. Risk is in turn linked to higher situational involvement,[18] and therefore it is 'logical to expect that consumers acquire information as a strategy of risk reduction in the face of this specific uncertainty' (Murray,[19] p. 11). In line with this, Wilkie[20] argues the nature and high cost of such services are likely to lead consumers to engage in high levels of search. However, Zeithaml *et al*[21] suggest consumers have difficulty coming up with sets of services brands to consider, (p. 491) which implies consideration sets should be small. Unfortunately, what constitutes 'small' is open to conjecture. What empirical evidence exists as to consideration sets in services? A literature search identified only two prior studies. One was by Turley and LeBlanc,[22] which found a consideration set size of 1.7 services brands across a range of categories. However, the authors cautioned that their sample ($n = 100$) was small, and numbered only three respondents in certain categories. Another was by Friedman and Smith,[5] who similarly found that prospective buyers of child care evaluated only one or two brands. It is worth noting their sample included respondents from small-sized cities and towns and sparsely populated areas. Smaller city size is negatively correlated with the extent of information search (see Beatty and Smith[23]), therefore this could have affected their results. One other study, by Lees *et al*[24] examined if the reason for switching financial services provider affected whether the former provider remained in the consideration set. However, the actual size of the consumer's consideration set was not within the scope of that study. Plainly, more knowledge about pre-purchase consideration in services is required. To address this, our first research question is:

1. To what extent do consumers engage in information search when purchasing services, and what is the most common consideration set size?

We use financial services as the vehicle for this research. The reason is that financial services are very widely used, therefore a survey of consumers about their consideration of such services will readily yield useful information. Secondly, financial services are 'long term' in the sense that consumers persist in their usage of a particular product for a long period (and in many cases stay with a particular provider for a long-time period). Consumers are therefore able to recall the most recent financial product they purchased with reasonable accuracy, because they are likely to be still using that product. The second research question is:

2. Is the extent of consideration heightened for a 'new purchase' (such as a new loan or credit card) compared to a re-purchase (such as renewing an existing insurance policy)?

As mentioned earlier, perceived risk is apparently an antecedent to involvement and therefore generates greater desire for information. It would be desirable to understand if there is more pre-purchase consideration when the purchase involves more risk. We investigate financial risk (for example Turley and LeBlanc[22]), on the basis that the monetary value of the service being purchased reflects differential financial risk. Accordingly, research question three is:

3. Is there more consideration for 'high value' services compared to 'low value' services?

We examine the differences in information search for low-value services such as a transaction account for a bank; compared to high-value services, such as a home loan or financial planning advice.

The second strand of research that the present study seeks to contribute to is customer loyalty. Loyalty is a priority topic for marketers (for example Bolton *et al,* Dowling and Uncles, Jacoby and Chestnut, and Sharp and Sharp[25–28]). The extent to which customers engage in search and comparison among competitors is likely to be linked to a higher propensity for defection, or more fragmentation of requirements with one supplier. Consider these excerpts from recent texts and industry reports:

> The move to a customer-strategy business model has come at a critical juncture in business history, when managers are deeply concerned about declining customer loyalty as competitors lure away their customers.[29]

> Businesses are finding the goal of customer loyalty as elusive as ever. Why? Because today's customer is a 'Butterfly Customer', skeptical, not loyal to any product or company, and yours only until the next good thing comes along.[30]

> Rising internet use is increasing transparency in the industry, providing customers with better access to information on product specifications and pricing – and increased bargaining power. As a result, (insurance) customers have become more self sufficient, price-sensitive and less loyal.[31]

These quotes encapsulate an industry view that today's consumers are motivated to actively search and compare among competitors when making a purchase in services categories. Furthermore, that this propensity to search is linked to lower levels of customer loyalty. However, although it seems intuitively reasonable to link heightened search behavior with lowered levels of loyalty, there are major gaps in our knowledge of this area. The three research questions described above address some fundamentals in relation to consumer information search, but there are other questions. For example, how many customers of one provider, consequently buy from another provider with *no other* search behavior apart from simply making an enquiry with that other provider and then buying from it. In other words, how many customers of brand *A*, when they need a new financial product, bypass brand *A* and go straight to another provider. In this case there is 'disloyalty' to the original provider, but limited search. The distinction between disloyalty accompanied by consideration of multiple competitors, versus disloyalty accompanied by little or no consideration of competitors is important. The reason is that the level of consideration by buyers has an implication for marketing strategy. If consumers extensively consider the merits of competing providers, then the competitiveness of the offer (prices, features, terms and so on) is paramount for the marketer. By contrast, if consumers engage in less search and evaluation, it follows that marketing communication and convenience are more important drivers of consumer enquiry and therefore market share. If consumers make only one or two enquiries when buying, the most important factor for the brand is to simply be in the consumer's consideration set. Once in the consideration set, the probability of the consumer buying the brand is 50 per cent or more. Accordingly, research question four is:

4. How many consumers buy from a new services provider (that is that they have not dealt with before) with no consideration of competing alternatives?

Another important question to consider is consumer heterogeneity in search behavior. That is, which customers are more likely to engage in search and comparison. One useful categorization in the literature is to distinguish 'light' consumers who buy less, and 'heavy' consumers who buy more.[26,32] For the present purpose, such a categorization would enable us to examine the evaluation behavior of 'light' buyers, who currently use few financial products; contrasted to 'heavy' buyers who already have multiple financial products. There are alternative possibilities as to which type of consumer is likely to engage in more evaluation and search. Light buyers could search more, because they are less familiar with buying such products. Therefore, information from multiple providers could provide reassurance that their ultimate choice is the correct one. Alternatively, one could argue it is heavier buyers who would search more, because their prior experience provides confidence that they could obtain a better product, or better terms and conditions, from searching among alternatives. The results, either way, have implications for marketing strategy. If it is lighter buyers who search more and heavier buyers who search less, then a loyalty strategy to attract and retain high-value (heavy-category users) consumers is more tenable. However, if it is heavier buyers who are more likely to engage in search and consideration, then it becomes more difficult for any one provider to retain a large share of their requirements. To shed light on this issue, our fifth research question is:

5. Which type of consumer is more likely to engage in heightened consideration of alternatives in a services context – light category buyers (few purchases of the category over time) or heavy buyers (many purchases of the category over time)?

RESEARCH METHOD

As mentioned earlier, we use the financial services industry as an appropriate context for this research. To answer our research questions, we designed two surveys that were administered to consumers in several major Australian cities. The first survey pertained to retail banking. Australia is a modern western economy with an advanced retail-banking sector. It is home to some of the largest banks in the world such as NAB, the 28th largest, and ANZ, the 50th largest, each with turnover of tens of billions of dollars.[33] In addition, it has global giants such as HSBC and Citibank operating in the retail-banking market. Similarly, Australia is home to a large, well-established domestic insurance industry, which was the chosen product-market for the second survey. A multitude of bank and insurance brands operate in both these sectors, which therefore provides adequate potential for consumers to engage in search and consideration.

The details of each survey are as follows:

Survey 1: Retail banking

The first survey comprised interviews with consumers residing in two different cities. The first city has a population of approximately one million people. Its economy is a mature, slow growth mixture of manufacturing and services. The second city has a smaller population of 80 000 people, in quite a different geographical area to that of survey one. The city is on the northern seaboard of Australia and has a vibrant export-based economy. The total sample size across the two cities was 737 respondents. The use of two different cities as sampling units was based on the desire to generalize across large and small population areas. Indeed, there was no difference in the responses across the two samples, therefore they were aggregated for the analysis.

Interviews were conducted via telephone by trained market-research interviewers. A telephone survey was used, as prior experience demonstrated high response rates and quality data from this method. The broadest available sampling frame, namely the electronic telephone directory, was used to sample the population. The survey sample was selected via a random sampling process. The sample comprised a good cross-section of gender, occupation and family stage classifications, as detailed in the Appendix. A preliminary screening question ensured the person interviewed was the decision maker or user for banking services in the household. The respondents were then asked about the most recent banking product they acquired. The potential list of products numbered eight: credit card, personal loan, home loan, transaction account, fixed-term cash investment, investment loan, special purpose savings account and financial planning advice. We used only the responses for those people who had purchased a financial product in the past 2 years ($n=383$). The reason is that data on purchases made more than 2 years before the interview would lack accuracy due to imperfect recall (later in the article we check to ensure the results are not biased due to using this time window). Next, the respondents were asked which brand they acquired the product from. Respondents were also asked about their usage status for that brand: whether that brand was entirely new to them; or whether they had been a customer of that brand before the most recent purchase.

The extent of consideration was ascertained by asking two questions. The first question related to consideration that occurred via an interpersonal exchange (for example, an enquiry). We derived the size of the consideration set from this question. The second question asked whether the consumer sought product information via the internet. This second question provided additional information about the extent of information search, but we consider it separately from the actual size of the consideration set. The reason is that internet search can be extremely cursory, and may also involve sites that are separate to the brands in the category. Note that while we asked about information search via the internet, the actual *purchase* of the product could be via any means (telephone, internet or branch visit).

The consideration and search questions were tested for understandability using experienced market research industry personnel, and were piloted before being used in the survey proper. The questions were as follows:

1. 'When you purchased that ________, did you make any enquiries with other providers? (if yes) … could you tell me who they were?'
2. 'And did you do any looking on the internet for that _______? (if yes) … how many different sites did you look at?'

Survey 2: Domestic insurance

The second survey involved telephone interviews with 514 respondents who were customers of a major Australian insurance provider. The respondents were residents of a large Australian city with a population of over two million people. The reason for using this sample was that it provided an efficient method of identifying consumers who had been recently issued with an invitation to renew an insurance policy (either motor vehicle, buildings or home contents). Specifically, all respondents had an insurance policy fall due in the 2 months before the interview date. As per survey one, the sample comprised a wide cross-section of demographic characteristics, as outlined in the Appendix. Note that the demographic variables collected as part of survey two were different to those collected in survey one. The reason is that the two surveys were sponsored by different commercial organizations, and the organization that sponsored survey two desired a different set of demographic variables to be collected, which comprised only gender, age and income. As per survey one, the survey questions were tested for understandability and piloted before being used.

The respondents were not told they had been identified as having a policy-fall due. This information could have led to biased responses. Rather, the respondents were asked *if* they had a policy fall due recently, and what their actions were at the time. Of the consumers interviewed, 483 respondents said they indeed had a policy fall due

Table 1: Average number of brands considered for a new purchase: Retail banking

Number of brands considered	*N*	*%*
1	281	73
2	66	17
3	21	6
4	7	2
5	3	1
6	2	1
7	3	1
Average brands considered	1.4	

recently. Those 483 respondents were asked whether they renewed the policy with the same brand, or switched to another insurance provider. Of those who did not switch, we asked whether they *considered* switching. For those who either switched, or merely considered switching, we asked how many quotes from providers they obtained during their search process. Asking for quotations from other providers represents active search behavior on the part of the consumer. The responses for this survey are used to examine the consideration for a new service purchase compared to renewing an existing service, as per research question two.

RESULTS

Consideration sets

We commence the examination of results with research question one. How much consideration of competitive alternatives occurs, when consumers are purchasing a new financial product? We calculate the consideration set size as the brand the consumer purchased from, plus the other brands to which they made enquiries. If a consumer purchased from a brand without making enquiries with any other brands, their consideration set was one brand.

As shown in Table 1, the average number of brands evaluated in survey one was 1.4.[34] The most common consideration set size was *one brand*. This is a surprisingly low level of brand consideration. Seventy-five per cent of consumers ($n=287$ of 383) made their purchase from a brand they already dealt with. We also found 79 per cent of consumers did not do *any* pre-purchase information searching on the internet. Six per cent looked at one or two sites, 15 per cent looked at more than two sites. The average number of internet sites looked at by respondents was 0.9.

New purchase compared to re-purchase

Research question one examined consideration for a new purchase. We now turn to research question two, namely whether the extent of consideration is different for a 're-purchase' from an existing provider, compared to a new provider. We examine the extent of consideration among consumers facing a re-purchase who switched providers, compared to those who did not switch providers. We look at both situations, because a re-purchase may be from the existing provider, or from another provider that the consumer has not dealt with previously. To answer this question, we analyze the results from survey two. Of the 483 consumers who had an insurance policy fall due, 431 renewed their policy and 52 switched providers. This represents an annual switching rate of 11 per cent. We asked the consumers who did *not* switch, whether they *considered* switching or not. Of the consumers who did not switch, 112, or 26 per cent said they had considered switching. Seventy-four per cent did not even consider switching. We now tabulate the number of brands that were considered, among those who (a) switched, (b) considered switching or (c) did not consider switching. This is shown in Table 2 below. The average number of brands considered among switchers was 2.4; among those who only *considered* switching the average number of brands considered was 2.0; and of course, among those who did not even consider switching, it was zero. Among those

Table 2: Average number of brands considered for a re-purchase: Domestic insurance

Number of brands considered	*Did not consider switching*		*Considered switching but did not switch*		*Did switch providers*	
	N	*%*	*N*	*%*	*N*	*%*
0	319[a]	100	25	22	*na*	*na*
1	0	0	23	21	18	35
2	0	0	27	24	13	25
3	0	0	16	14	11	21
4	0	0	11	10	6	12
5	0	0	3	3	0	0
6	0	0	7	6	4	8
Total	319	100	112	100	52	100
Average number of brands considered	0		2.0		2.4	

[a]Note that the number of brands considered by consumers who did not consider switching is, by definition, zero.

Table 3: Consideration cross-tabulated against low or high-value service

	Did not *consider more than one brand*	***Did*** *consider more than one brand*	*Row total*
	N (row percent)	*N (row percent)*	
Low value service	103 (90%)	11 (10%)	114
High value service	155 (65%)	83 (35%)	238
Column total	258	94	352

χ^2: 25; DF: 1; $P = 0.0001$.

who switched, the largest single group considered only one brand (18 out of 52 respondents). Among those who only considered switching but did not switch, 43 per cent evaluated zero to one brands. Therefore, we conclude that the extent of consideration for re-purchases is very low, with most respondents not even considering switching or considering competing alternatives. Those who did switch or consider alternatives still had very small consideration sets on average.

High-value service compared to low-value service

Research question three examines whether the extent of consideration is different for a high-value service compared to a low-value service. To address this question we split the purchases of banking products into two categories: (1) a low-purchase value category, comprising transaction accounts, credit cards and special purpose savings accounts; and (2) a high-purchase value category comprising fixed-term cash investments, personal loans, home loans, investment loans and financial planning advice. We cross-tabulated purchase value against whether the consumer engaged in consideration of multiple brands or not. The results are in Table 3. The results show that higher value services engender more consideration of other providers. Only 10 per cent of consumers who bought a low-value service considered one or more other brands, whereas 35 per cent of consumers who bought a high-value service considered one or more other brands. There was no difference in the extent of internet search among those who purchased low-purchase value services compared to purchasers of high-purchase value services.

Buying from a new provider with no other consideration?

Research question four now turns to the question of how many consumers buy from a new services provider with *no* other consideration. We find that a large proportion of the consumers who bought from a new provider they had not previously dealt with, did not consider other providers (for example not even some *other* provider

Table 4: Consideration cross-tabulated against buying from existing versus new provider

	Did not *consider more than one brand*	***Did*** *consider more than one brand*	*Row total*
	N (row percent)	*N (row percent)*	
Bought from existing provider	227 (79%)	62 (21%)	289
Bought from new provider	54 (57%)	40 (43%)	94
Column total	281	102	383

χ^2: 16; DF: 1; P=0.0001.

Table 5: Consideration cross-tabulated against consumer's category purchase level

	Did not *consider more than one brand*	***Did*** *consider more than one brand*	*Row total*
	N (row percent)	*N (row percent)*	
Light consumers of banking products (<=4 products)	147 (77%)	43 (23%)	190
Heavy consumers of banking products (>4 products)	134 (69%)	59 (31%)	193
Column total	281	102	383

χ^2: 3.1; DF: 1; P=0.08.

they already dealt with). As shown in Table 4, of the 94 consumers who purchased a financial product from a new provider, 54 of them (57 per cent) did not make enquiries with any other provider. Supplementary analysis of internet search behavior revealed that 69 per cent of consumers did not even look to the internet for information on their existing brand, or other brands. These results indicate that the primary mechanism for consumers to commence dealing with a new service provider is not the competitive consideration or evaluation of that provider relative to others. Rather, the primary mechanism is inclusion in the consumer's extremely small consideration set, which commonly consists of a *single* brand.

Buyer heterogeneity in consideration

Lastly, research question five examines whether light category buyers were different to heavy category buyers in terms of the extent of brand consideration. We asked consumers to name the banking products they currently had, as part of survey one. The mean number of banking products was 4.0. We classified those who had four banking products or less as light banking consumers, and classified those who had more than four banking products as heavy. We then cross-tabulated these two groups according to the extent of consideration. The results are in Table 5. Heavy category consumers are more likely to engage in consideration of multiple brands, specifically, making an interpersonal enquiry. The difference between the two groups is statistically significant at under the 0.10 level ($P=0.08$). Supplementary analysis showed no difference in the propensity to engage in internet search among light versus heavy buyers.

Discussion of results

An overview of our results is that:

1. Extensive consideration of competing service providers was found to be uncommon, either for re-purchases or new purchases. Additionally, a high level of consideration was uncommon for either low-value services or higher-value services. The most common consideration

set size was one brand. The study found only a small proportion of consumers engaged in information search via the internet when purchasing financial products.
2. Although purchases made with a new provider were associated with higher levels of consideration than purchases made with the current provider, the number of competing brands considered by consumers who bought from a new provider was very small.
3. Heavy category purchasers were more likely to evaluate multiple brands, compared to light category purchasers. However, the majority of heavy buyers still did not consider more than one brand.

Based on this study, there is not a great deal of consideration by consumers when purchasing financial services products. Why not? Our answer is as follows: In spite of the marketing literature's emphasis on evaluation (weighing-up alternatives), consumers, when faced with an expansive range of brand alternatives simplify their purchase decisions by making their selection from a small group of brands (for example Howard and Sheth, Hauser and Wernerfelt, Alba and Chattopadhyay, Mitra, Narayana and Markin, and Nedungadi[3,4,35–38]). That is, they consider only a subset of brands, rather than all of the possible options. While this fact is well known, the very limited extent of brand consideration in services has not been widely researched. In two survey studies of financial services, we found that consideration sets commonly comprise *one brand*. A possible explanation for this low level of consideration is switching costs[39] or relatedly, consumer inertia.[40] However, these are at best only partial explanations, because we found low levels of consideration even when consumers adopted a brand that was new to them. Switching costs and inertia should lower the number of brands that a customer will actually buy from, but should not limit the extent of search behavior among consumers who subsequently commence dealing with a *new* provider.

Our findings reinforce the powerful role of *brand salience* in buyer behavior[35,41,42] and consequently, marketing strategy. Brand salience is the propensity of the brand to come to mind, or be noticed, in buying situations or for particular needs or occasions. The brand's mental accessibility, or salience, for that particular occasion or need determines the composition of the consideration set.[38] To paraphrase Roberts and Nedungadi,[43] 'there are many brands consumers would consider *if only they had thought of them*' (p. 5). A primary mechanism for the service brand to grow is to build this mental accessibility. Once the brand is in the consumer's typically *small* consideration set, the probability they will purchase it is very high. Of course, although this prescription sounds very straightforward, it is not easy. Indeed it is an expensive and long-term growth strategy, but affords a very straightforward guiding principle for strategy.

In terms of linking these results to marketing strategy, it is also important to remember that only a small proportion of a service brand's existing customer base will be in the market for a new product at any one time. For example, only a small fraction of consumers need a new banking product or a new insurance product in the course of a year. This limits the extent to which growth can occur from selling extra products to one's current customers. Furthermore, it is very likely that existing consumers will enquire and purchase from their incumbent provider *anyway*. Given customers' already high propensity to cross-purchase from their existing provider, it is difficult to see how the financial services brand can appreciably improve this level of cross-purchasing (for example Mundt *et al*[44]). As such, the findings of this research suggest that the key strategy for growth for financial institutions or insurance providers should be customer acquisition, even for 'low value' products.

The chance of being considered for a subsequent purchase is then massively higher once the consumer has an established relationship with the provider.

CONCLUSIONS, LIMITATIONS, AND DIRECTIONS FOR FURTHER RESEARCH

This study has made a useful contribution to the marketing literature, specifically relating to consumer behavior in service contexts, by examining the extent of information search and consideration for financial services. The study finds a low level of pre-purchase information search and brand consideration. The study has also demonstrated this low level of consideration is not simply due to switching costs. The reason is that we found low levels of consideration even when consumers chose a *new* service provider. Switching costs should inhibit brand consideration when choosing an existing provider, but should not limit the extent of consideration among new (previously unused) providers. Our explanation highlights a more prominent role for mental and physical accessibility as a basis for brand growth (compared to for instance, cross-selling or enhancing service delivery) than has previously featured in the services marketing literature. Another specific contribution of this study is the identification of low levels of internet use by consumers, when purchasing services. This finding was somewhat unexpected. The mass media is replete with news of consumers' embrace of the internet, therefore it would seem reasonable that consumers would use the internet to consider the merits of competing brands. However, widespread use of the internet was not found to be the case in this services context.

One potential limitation of this study was that our operationalization of *consideration* was based on asking consumers whether they made enquiries with other providers during the process of purchasing their most recent purchase, and whether they searched for information via the internet (in survey one). In the second survey we asked insurance consumers if they had obtained quotations from competing brands before purchase. These activities exclude more 'passive' forms of consideration, such as perusal of advertising. Asking a wider-ranging series of questions about other forms of consideration or evaluation may have yielded a higher proportion of consumers classified as engaging in the activity. However, our operationalization of the term *consideration set* in this study is consistent with previous studies (for example Lapersonne *et al*[13]) that have focused on active weighing-up of alternatives.

A second limitation of our study is that we considered only financial services, namely retail banking and domestic insurance. Although we report the results from two separate surveys, we do not know how widely our results generalize to other services. However, the services we examined are ubiquitous and there is no reason to think consumer behavior for them is radically different from other services. Likewise, our results are consistent with previous exploratory studies.[5,22] Possible candidates for future research in services contexts could be choice of real estate agent, life insurance, higher education institution, airline, travel agent and so on. More knowledge about consumer's pre-purchase search and consideration, across a wide range of conditions, could help inform services marketers as to the appropriate emphases in marketing strategy.

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APPENDIX

Sample composition

Survey one figures include only respondents who purchased a financial product in previous 2 years. Survey two figures include only respondents who recalled an insurance policy falling due recently (See Tables A1–A6).

Table A1: Gender: Survey 1

Category	*N*	%
Male	170	44
Female	213	56
Total	383	100

Table A2: Occupation: Survey 1

Category	*N*	%
White collar	162	42
Blue collar	55	14
Tradesperson	30	8
Professional	60	16
Student not working full time	7	2
Retired	42	11
Home duties	5	1
Other	10	2
Total	383	100

Table A3: Family life stage: Survey 1

Category	*N*	%
Single	82	21
Couple with no children	56	15
Single/couple with young children at home	103	27
Single/couple with older children at home	79	21
Mature age couple no children at home	46	12
Mature age single person (no children at home)	13	3
Other	4	1
Total	383	100

Table A4: Gender: Survey 2

Category	*N*	%
Male	222	46
Female	260	54
Total	483	100

Table A5: Age: Survey 2

Category	*N*	%
18 to under 35 years	58	12
35 to under 50 years	261	54
50 to under 65 years	121	25
65 years and over	43	9
Total	483	100

Table A6: Income: Survey 2

Category	*N*	%
Under $25 000	68	14
$25 000–$39 999	92	19
$40 000–$54 999	87	18
$55 000–$69 999	82	17
$70 000–$99 999	72	15
Over $100 000	48	10
Refused	34	7
Total	483	100

