

# Managing customer perceptions of the business environment

[Business](#), [Business Environment](#)



Per Bendapudi and Berry, the environmental influences consumer behavior but does not influence consumers' trust. Organizations have to research extent of how their marketing environment creates customers' perceived behavior and also how individual factors of given environment add to that perception. While many other researchers and authors suggest that functional behavior requires perception of trust, authors of this article are suggesting that this may not be obsolete condition. Some organizational environments are more likely to result in dysfunctional or functional behaviors as a result of larger customer perception of dependency.

If customer is perceiving dependence in continuity, competitive advantage is than probably gained through managing customer perceptions of the organizational environment to reduce perceptions of high dependency. This may then reduce the negative impact arising from dependence based dysfunctional behaviors. If customers exhibit functional behaviors when they perceive themselves to have a low dependency upon a service organization then the findings suggest practical steps that those organizations can take to influence customer perceptions of the business environment (Hilton&Jones, 2010).

Analysis Hilton and Jones wrote this article because of the fact that customer perceptions of the organizational environment and its influence on customer behavior is an area that is not researched enough. Customer behavior is a concept of a response to perceptions of organizational environment and they are categorized as functional or dysfunctional behavior based on potential impact on the firm. Authors are arguing that some organizational

environments are more likely to result in functional or dysfunctional customer behavior.

Per Hilton and Jones, that is result of greater perceived dependency, irrespective of whether customers trust their service providers, or business partners. There are numerous findings that consumer imagery extends beyond perceived price and company image to the business environment. Businesses that enjoy favorable image generally find that their products are accepted more readily than those from businesses that have less favorable or even neutral image in customers' perception. This study focuses on the environmental antecedents of dependence.

If a characteristic of the business environment is that it generates customer dependence upon a business partner then it is important for organizations to understand which aspects of their business environment contribute towards the perception of dependence (Hilton&Jones, 2010). Consumers' selections of stimuli from the environment are based on interactions of their expectations and motives with the stimulus itself. People usually perceive things they need or want, and block the perception of unnecessary, unfavorable, or painful stimuli.

This study was designed to identify, compare and contrast the experiences of commercial and private clients to determine whether the environmental variables identified by Bendapudi and Berry were applicable to the legal service context and, if so, were they also relevant to individual consumers as well as business customers. It is more difficult for consumers to evaluate the

quality of services than the quality of products because of certain distinctive characteristics of services (in this case legal service provided by a law firm). Legal services are intangible, variable and perishable.

Customers are usually not capable of comparing services side-by-side. Therefore other significant factors play role in shaping perception and dependence such as quality of office, room furnishing, number of framed degrees and rewards on the wall, pleasantness of the receptionist, all contribute to the evaluation of the organization that provides legal services. Result of the study finds that commercial clients think that their organizations live in turbulent times where outcomes are uncertain but also where decisions, actions and opportunities are time-dependent.

In contrast, private clients do not appear to perceive the legal services environment as dynamic. They suggest that legal matters take a long time, often longer than they expect. These findings cannot be taken for granted. Actual quantity of services can vary from day to day, from service employee to service employee and from customer to customer or case to case. When marketers try to standardize their services in order to provide consistency of quality, downside is the loss of customized services, which many consumers value. Major issue with legal services is that they are first sold and then produced and consumed simultaneously.

An inferior legal service is consumed as it is being produced. There is little opportunity to correct it, negative impression caused by legal services representative is difficult to correct. Consumer evaluation of service quality

is usually reflection of magnitude and direction of the gap between the customer's expectations and customer's assessment (perception) of service quality. That perception of service quality includes segments of the business environment and built up dependence. We can see completely different research results between commercial and private customers.

This is happening because the expectations of a given service vary widely among different consumers of that same legal service. These expectations stem from word-of-mouth, their past experiences, the promises made about the service in ads and by legal services representatives, available alternatives, and other behavioral factors. In individual customers respond I see significantly increased likelihood of lower perceived service quality due to raised customer's expectations. Legal services environment serves to influence perceived quality of services and decisions of consumers.

## Conclusion

Consumer motivation is a highly dynamic construct that is constantly changing in reaction to life experiences. Needs and goals change and grow in response to individual physical condition, environment, interaction with others, and experiences. As individuals attain their goals, they develop new ones. Many needs are never fully satisfied, they continually impel actions designed to attain or maintain satisfaction. And also, people who achieve their goals set new and higher goals for themselves. Expectations of success or failure in reaching certain goals often influence the nature and persistence of individual's behavior.

Expectations are often based on past experience. Effects of success and failure on goal selection have influence on the marketer. Goal should be reasonable. Advertisements should not promise more than product will deliver. Even solid product will not be approached if it fails to live up to expectations. Law firms' aggressive advertising is in fact creating dependency. Some of the consumers are attracted by word-of-mouth legal services' positive (or negative) image created in media and based on their results in previous cases.