BANK ADVERTISEMENT CONTENT AND SMALL BUSINESS EXECUTIVE INFORMATION NEEDS

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Professional service providers need to equip customers with appropriate advertising information so they can make informed selection decisions. This study utilizes a factorial design experiment to examine which elements of a print advertisement have the greatest effect on small business executives when choosing and recommending a bank. The results suggest that two elements for competition in the banking industry are the amount and availability of specialized services that are targeted toward a particular segment and the provision of these services at reasonable rates.

INTRODUCTION

Searching for information about a professional service provider is an early influential component of the customer selection and recommendation decision process. Professional service managers need to know the types of information that customers desire in an advertisement. With a few notable exceptions, little research has examined the elements of a professional service print advertisement that influence a customer's selection and recommendation decisions for a particular firm (Andrus, Ott, Ainsworth, 1993; Hite, Fraser, and Bellizzi, 1990; Marks 1984). Nevertheless, it has been recommended that service providers equip customers with advertising information about the service so they will be more informed and more effective sources of information to other prospective clients (Murray, 1991).

Zeithaml (1981) maintains that consumers find services more difficult to evaluate than goods. Services have unique characteristics that include intangibility, simultaneity of production and consumption, and nonstandardization. Many aspects of professional services are difficult to comprehend and explain (Brown and Swartz, 1989; Brown, et. al., 1993). The outcome of the professional service exchange process often cannot be predicted with much accuracy (Murray, 1991). These unique and fundamental characteristics of professional services influence buyer behavior and suggest that professional services are perceived to be riskier than goods (Dawes, Dowling, and Patterson, 1991; Murray and Schlacter, 1990; George, Weinberger and Kelly, 1985; Guseman, 1981).

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One way to reduce risk perceptions is for consumers to seek service information from professional providers. One major source of information about professional service encounters that can influence customer selection and recommendation decisions is company advertisements (Zeithaml, Berry, and Parasuraman, 1991; Boulding, Kalra, Staelin and Zeithaml, 1993). A crucial component of promoting a professional service is an analysis of the informational content of an advertisement for a professional service. This analysis should identify the elements of a professional service advertisement that would most influence a client's selection and recommendation of a particular firm.

The purpose of this research is to determine which elements of a print advertisement have the greatest effect on small business executives when choosing a bank and recommending its services to others. Information is needed to design an advertisement that will enable bank managers to maintain a highly professional image while communicating the necessary information for clients to make a more informed, less risky choice. Two banks could supply an identical amount of advertising to customers, yet the net sales impact could vary considerably from one bank to the other if the informational content changes significantly (Laband, 1989). This study will also help bank managers reduce marketing costs by creating the most efficient, effective print advertisement that is targeted toward small business executives.

This research is important for several reasons. Consumers need more prepurchase information about professional than nonprofessional services because professional services are more complex, distinctive, and difficult to evaluate (Davis, Guiltinan, and Jones, 1977; Booms and Nyquist, 1981; Deshpande and Krishnan, 1977). All of these factors which heighten risk perceptions of professional services could be reduced through appropriate advertisements. One of the most commonly advertised professional services is bank services (Abernethy and Butler, 1993). Inclusion of appropriate information in a professional service advertisement could increase customer expectations of what a bank will provide during future service encounters relative to competitors. This could lead to perceptions of higher quality after the customer is exposed to the actual service (Boulding, Kalra, Staelin, and Zeithaml, 1993).

The Small Business Segment and the Competitive Banking Environment

Small businesses were studied for several reasons. Banks are showing a renewed interest in small and midsized businesses (Kohn and Kohn, 1992; Lipin, 1992; Freeman, 1990). Increased competition for the traditional consumer retail market and in the commercial and corporate segments have produced a situation in which banks are targeting small businesses as an opportunity for increasing market share and fee income (Freeman, 1990). In a recent study, 91 percent of bank managers stated they planned to expand their small business banking activities (Bean, 1993). Furthermore, many banks are establishing small business departments that are responsible for the entire small business customer relationship.

Several trends in the banking industry will require bank marketing managers to attract new market segments such as small businesses to develop growth in demand for their services. The small to midsized business segment is one of the few remaining high-margin lending segments that has not been saturated by securities firms and represents one of the last markets for relationship banking (Lipin, 1992). Small business executives seek financial assistance for a wide variety of reasons and banks offer meaningful services for many of their needs (Roach, 1989; Greer, 1987). The degree of competition in the banking industry is important to small business executives because commercial banks are an important source of long-term funds, business counseling, and short-term credit (Scott and Dunkelberg, 1984; McClure, 1985). Corporate business often generates personal business from clients such as checking accounts, credit cards, certificates of deposit, and money management services (Lipin, 1992; Roach, 1989).

Advertising can play an important role in developing a relationship between a bank and a small business since this association begins before a firm is formally selected by a particular small business manager. Initial contacts with clients through print advertisements can influence expectations, which in turn can be related to criteria used to select and recommend a bank (Day and Barksdale, 1992). Research indicates that one in three small business owners regularly shop for a new bank and once they start shopping, there is a 40 percent chance they will change banks (Dennis, 1989). However, acquiring a small business relationship can be expensive for banks with costs running from \$2,500 to \$7,000 (Bean, 1993). Advertising might be an effective marketing tool to control bank switching and customer acquisition costs in a highly competitive professional environment.

All of these trends make the small business market segment an attractive one for banks. Given the highly competitive environment for banks, it is not surprising that managers are showing a renewed interest in the marketing function for their firms (Khazeh and Decker, 1993; Miller and Easterling, 1991). Bank managers today realize that advertising will play an important role in their overall success and in attracting the small business market segment (Bow, 1987). Advertising information can help small business executives identify a potential bank and quickly increase the customer's knowledge of its service offerings (Butler and Abernethy, 1993). Despite previous research cited above, no comprehensive study has been done that experimentally examines which components of bank print advertisements influence the selection and recommendation decisions of small business executives.

HYPOTHESES

The range of information that bank managers can convey to small business managers is extensive. The content of advertisements across media and of advertisements placed by different practitioners in the same media varies significantly (Laband, 1989). This study examines the perceptions of small business executives concerning the content of print advertisements by banks. The content of print advertisements was experimentally manipulated in terms of bank employee and institutional qualifications, services offered, and the description of fees. These independent variables are considered to be valuable to consumers and professionals alike. Parasuraman, Zeithaml, and Berry (1988) reported that service components were key indicators of quality and satisfaction which suggested this information was very important to clients in an advertisement.

A tactic to reduce risk perceptions with information in a professional service advertisement would be to list the qualifications of the service providers and the institution. Highly qualified providers and institutions should be the most preferred by clients. A method to indicate employee qualifications would be to state in the advertisement that personnel have MBA's specializing in small business banking. Institutional qualifications could be identified by listing membership in the American Banking Association and the FDIC. Listing specific services and qualifications may increase how well the advertisement is liked by small business executives because evaluative criteria may make the selection and recommendation decisions more efficient. Based on these ideas, the following hypotheses are offered:

H1: Small business executives will be more likely to recommend to others and be persuaded to use the services of a bank that lists many professional qualifications in a print advertisement.

H2: A bank print advertisement that lists many professional qualifications and services will be rated as the most likeable by small business executives.

A high level of qualifications and services may increase client confidence about professional provider trustworthiness and expertise at delivering the service. Perceptions of professional service trustworthiness and expertise are important and should influence bank selection and recommendation decisions (Murray, 1991). Bank quality levels and trustworthiness may be difficult to assess for small business executives because physical and point-of-purchase cues that are usually found with tangible products are not available. Since professional service consumption is highly personal and difficult to comprehend until directly experienced, listing qualifications and services may provide tangible cues that help to overcome the ephemeral nature of this exchange process. This suggests the third and fourth hypotheses.

H3: A bank that lists many professional qualifications and services in a print advertisement is more likely to be perceived as qualified to serve small businesses.

H4: A bank that lists many qualifications and services in a print advertisement will be perceived as more trustworthy by small business executives.

Another tactic to reduce executive uncertainty would be to advertise specific banking services targeted toward small businesses and provide a greater degree of accessibility with extended hours of operation. This would reduce time and effort needed to evaluate a bank in a print advertisement and would hasten the selection decision. It would also indicate that the bank has specifically targeted small businesses as an important market segment and designed specific service products and extended hours to accommodate the specialized needs of these clients (Binks, Ennew, and Reed, 1989). Teas, Wong and Parker (1988) suggest that banks should attract customers from competing banking institutions by emphasizing many financial services. Offering a wide range of services should appeal to small business executives since consumers evaluate bank service quality to a large extent based on the actual array of services offered (Elliot and Hall, 1991) and frequently switch banks when they believe competing institutions will serve them better (Rogowski, 1985). Therefore, it is hypothesized that:

H5: A bank that lists many specific small business services and extended hours of operation in a print advertisement will be perceived as offering a wide range of services for small businesses.

Research has shown that price acts as a quality signal for products (Zeithaml, 1988). However, price comparisons are difficult to make for bank services because they are not generally listed in print advertisements. Not mentioning charges in professional service advertisements might be an important oversight since consumers increasingly desire this type of price information (Hite and Fraser, 1988). Professionals often have reservations about including prices in advertisements because clients think price and quality are correlated (Valenzi and Andrews, 1971).

There are conflicting findings about displaying fees in professional service advertisements. One study found that free or low cost checking was rated as important by rural consumers when evaluating a bank while interest rates charged for services were rated as unimportant (Elliot and Hall, 1991). Hite, Fraser, and Bellizzi (1990) reported that a professional who advertised fees may be viewed at a disadvantage in terms of quality for lower risk services. Consequently, listing a specific fee in a print advertisement for bank services may not lead to a positive selection decision. This could be especially true if small business executives are knowledgeable about routine financial services.

On the other hand, small business executives may want to know what fees will be charged when bank services are displayed in an advertisement. Small business executives often experience cash flow problems and could make a more informed selection decision with some type of fee information provided. They may lack knowledge about financial services and thus have higher risk perceptions. Stating that fees are low for small business services may alleviate this belief. Based on this premise, it is hypothesized that:

H6: A bank should list "low service charges" for services offered in a print advertisement.

METHODS

Experimental Design

A 2 X 2 X 2 factorial design analysis of variance (ANOVA) with two levels of qualifications, two levels of services, and two descriptions of fees was presented in a bank print advertisement and small business executives were asked to evaluate it. Following earlier studies, respondents were asked to imagine they had just moved to a new community, established a small business and saw the enclosed advertisement in the yellow pages of the local telephone directory or the local newspaper (Andrus, Ott, Ainsworth, 1993; Marks, 1984; Ratchford and Andreason, 1972). This scenario required the small business executive to find a new bank. It avoided situational effects under conditions of immediate need for services or extreme dissatisfaction with a currently used bank.

The eight possible advertisements represented the 8 cells of the 2^3 factorial design. Figure 1 shows two advertisements with all three factors at their highest or lowest levels. Each respondent was exposed to just one such advertisement and asked to complete a mailed questionnaire evaluating the advertisement.

Professional qualifications appeared in the eight advertisements at one of two levels, low and high. The low condition was indicated by the address of the bank. A high level of banking qualifications, as seen in Figure 1, was indicated by listing membership in the American Banking Association, Federal Deposit Insurance Commission (FDIC), and having MBA's on staff specializing in small business banking.

Service attributes similarly appeared at two levels in the advertisement. A low level of service was indicated by the presence of the firm's address, a general information telephone number, and limited office hours. A high level of services, as shown in Figure 1, was indicated by the availability of an after-hours telephone number, a small business consultation telephone number, extended hours of operation, and a list of 23 banking services specifically targeted toward a small business. These were a compilation of services from 30 different yellow page print advertisements for banks from 30 major cities in the United States.

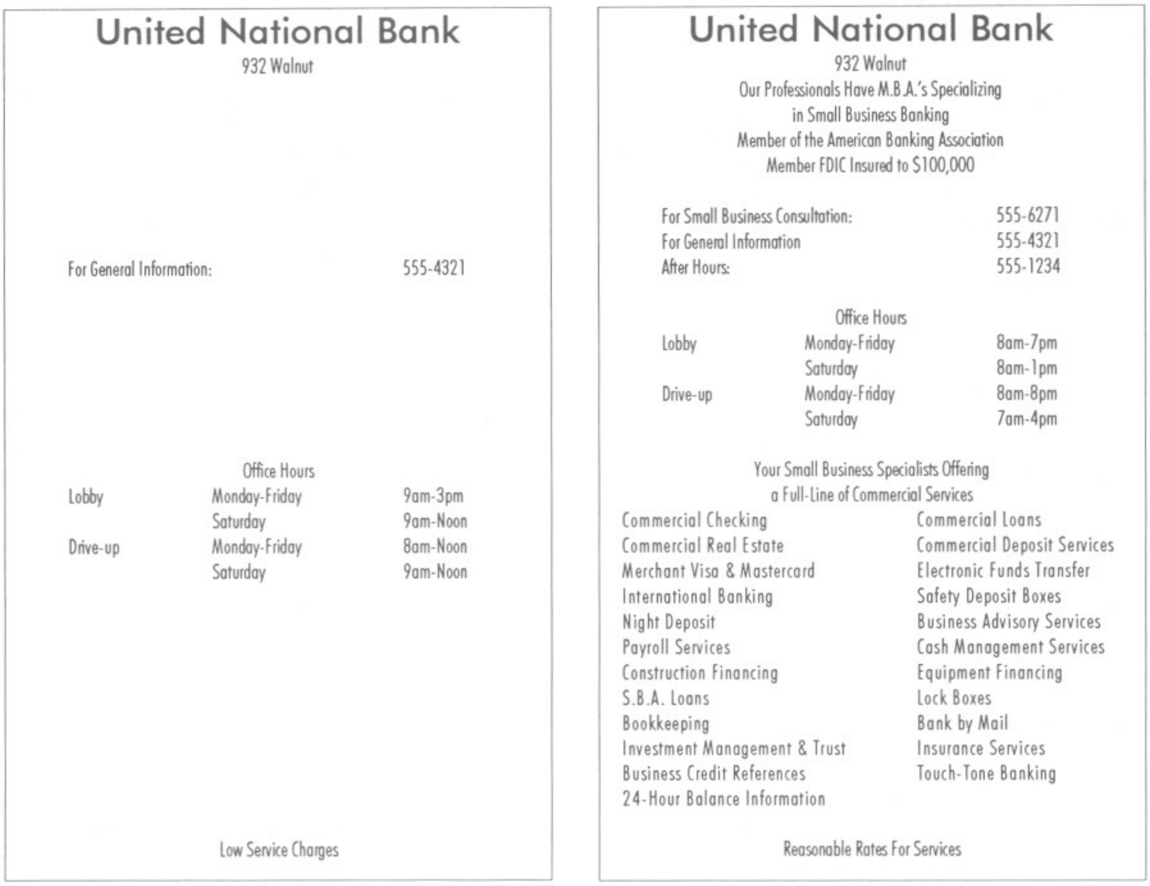
Rates were also presented at two levels. Reasonable rates for consultation represented the high treatment condition. The low condition rate was presented as low service charges. Results of an informal survey of 10 bank officers in two states indicated that banks charge minimal amounts for various business services performed. The surveyed bank managers stated that advertising specific fees for bank services would consume too much print advertising space and thus increase marketing costs.

Several dependent variables were measured. The first required respondents to state that the advertisement would persuade them to use the services of the bank in the advertisement for their small business and the second stated that they would recommend this bank to other small business managers. The participants were asked if they liked the advertisement. The small business executives responded to statements that the bank was qualified to provide banking services for their company, it was trustworthy, and offered a wide range of services for small businesses. Finally, the small business executives evaluated the statement that it was important that the bank in the advertisement list low service charges for services offered. The dependent variables were measured on a scale of (1) very strongly agree to (6) very strongly disagree.

Sampling Procedures and the Responding Business Clients

A pretested questionnaire was mailed to 1000 small businesses with 20 or fewer employees. The mailing list was a random sample of small businesses in the United States purchased from a national mailing list broker. There were 256 questionnaires returned for a response rate of 25.6 percent. The response rate was considered acceptable given the high ranking nature of the executives surveyed. High level executives are known to be less likely to respond to mailed question-

FIGURE 1
THE PRINT ADVERTISEMENTS WITH THE THREE INDEPENDENT VARIABLES AT THEIR HIGHEST OR LOWEST LEVELS



naires than people in the general population (Hunt and Chonko, 1987).

Nonresponse bias was examined with the use of the extrapolation method of time trends (Armstrong and Overton, 1977). This method assumes that subjects who respond less readily are more like nonrespondents. All variables in Tables 1, 2, and 3 were regressed by the date that the questionnaire was returned. This procedure yielded no significant parameter estimates. Similar results in recent research suggest that nonresponse is not an issue (Sinkula, 1990; Michaels, Day and Joachimsthaler, 1987).

Thirty-seven percent of the respondents were owners, 31 percent were presidents, 22 percent were managers and seven percent were vice-presidents. The remaining three percent were secretaries and were retained in the sample because they often have decision-making authority in a small business. The mean number of full-time employees was eight. Fifty-three percent of the firms were corporations, 34 percent proprietorships, 12 percent were partnerships, and one percent were franchises. The median gross annual business receipts for the sample firms were $450,000 and the mode was $1,000,000.

Manipulation Checks

All manipulation checks indicated that the treatments were valid. A manipulation check was recorded by respondents for each experimental factor. The respondents who were exposed to the higher condition recognized that the personnel in the advertisement were

MBA's specializing in small business banking (F= 139.00, p< .0001), members of the American Banking Association (F= 53.89, p< .0001), and the FDIC (F= 91.16, p< .0001) as opposed to those who were exposed to the low qualifications treatment.

A manipulation check for services indicated that those exposed to the high service condition recognized that the bank offered extended hours for small businesses (F= 65.11, p< .0001), and offered many services (F= 72.97, p< .0001) as compared to those in the low service condition. Those in the high service condition recognized that the bank provided a special telephone number for small businesses (F= 44.63, p< .0001) when compared to executives in the low treatment condition.

The third manipulation check indicated that respondents who were exposed to the lower level description for fees noticed that the bank offered low service charges (F= 37.34, p< .0001). Conversely, those respondents exposed to the higher level fee condition in the advertisement noticed that the bank listed reasonable rates for services (F= 31.92, p< .0001). These findings indicate that levels of the independent variables were manipulated successfully in terms of professional and institutional qualifications, services offered, and the description of fees listed to test the proposed hypotheses adequately. The data were analyzed using SPSSX.

RESULTS

Table 1 is a summary ANOVA table for the effects of the independent variables on being persuaded by the advertisement to use and recommend the bank and how well participants liked the print advertisements. Cell means for the dependent variables are displayed in Table 4. Hypothesis one was not supported. Small business executives are not persuaded by the advertisement to use or recommend a bank that lists many employee and institutional qualifications in a print advertisement. Although there are significant main effects for professional qualifications (F= 4.62, p< .03) and services (F= 56.76, p< .0001) from the advertisement persuading the client to select the bank, an interaction effect modifies the interpretation of these variables.

There is a significant interaction effect between services offered and qualifications (F= 4.80, p< .02) and a significant main effect for consultation fees (F= 6.36,

TABLE 1

ANOVAS FOR USING THE BANK IN THE ADVERTISEMENT, RECOMMENDING THE BANK TO OTHERS, AND LIKING THE ADVERTISEMENT

	Advertisement Would Persuade Client to Use Services of This Bank			Would Recommend This Bank to Other Managers			I Like This Advertisement		
Source of Variation	Mean Square	F Value	Significance Level	Mean Square	F Value	Significance Level	Mean Square	F Value	Significance Level
Main Effects									
a. Professional Qualifications	6.57	4.62	.03	2.68	3.22	N.S.	10.07	7.58	.01
b. Services Offered	80.88	56.76	.000	52.86	63.47	.000	85.65	64.47	.000
c. Consultation Fees	9.06	6.36	.01	3.28	3.94	.04	4.49	3.38	N.S.
Two-way Interactions									
A X B	6.84	4.80	.02	6.69	8.03	.005	6.19	4.66	.03
C X A	1.33	.93	N.S.	4.54	5.45	.02	.20	.15	N.S.
B X C	.23	.17	N.S.	.000	.00	N.S.	1.42	1.07	N.S.
Three-way Interaction									
A X B X C	1.26	.88	N.S.	.84	1.02	N.S.	1.54	1.16	N.S.

N.S., Not Significant

p.01) on executives being persuaded by the advertisement to use the services of the bank. Therefore, the main effect of the level of qualifications in the print advertisement is modified by the level of services offered. This interaction effect is displayed in Figure 2A. When services are at the higher treatment level, there is a greater association between the presentation of less qualifications and using the bank in the print advertisement than when fewer services are listed. Small business executives are more persuaded to use the bank when reasonable rates for services are presented. Consequently, the results suggest that bank managers need to display few professional qualifications when many services with extended hours are presented in a print advertisement for small business executives to be persuaded to use the services of the bank. Displaying reasonable rates for services in an advertisement also persuades executives to select the bank.

There are significant interaction effects between qualifications and services offered ($F= 8.03$, $p< .005$) and for professional qualifications and the description of fees on clients recommending the bank in the advertisement to other small business managers ($F= 5.45$, $p< .02$). These interaction effects are shown in Figures 2B and 2C. Presenting many services had a greater association with clients recommending the bank in the print advertisement to other executives when professional qualifications were at the low treatment level. There is a greater likelihood of positive recommendations when a reasonable rate is shown with a high level of qualifications. However, an examination of cell means in Table 4 and Figures 2B and 2C indicates that none of the independent variables are rated strongly for recommending the bank in the advertisement to others.

Hypothesis two was supported. There are significant main effects for professional qualifications ($F= 7.58$, $p< .01$) and services offered ($F= 64.47$, $p< .0001$). There is a significant interaction effect between services offered and qualifications on how well the advertisement is liked by the executives ($F= 4.66$, $p< .03$). This is shown in Figure 2D. Executives rate the display of many services and a high level of qualifications as the most likeable type of information in a bank advertisement. The majority of cell means in Table 4 show that the other combination of treatment conditions in the advertisement are not rated very favorably.

Table 2 is a summary ANOVA table for the effects of the independent variables on whether the bank in the advertisement is qualified to serve the small business, and if the bank in the advertisement is trustworthy. Hypothesis three predicts that respondents will perceive a bank as more qualified to serve them if the advertisement lists many professional employee and institutional qualifications with a high level of services. ANOVA results presented in Table 2 yielded significant

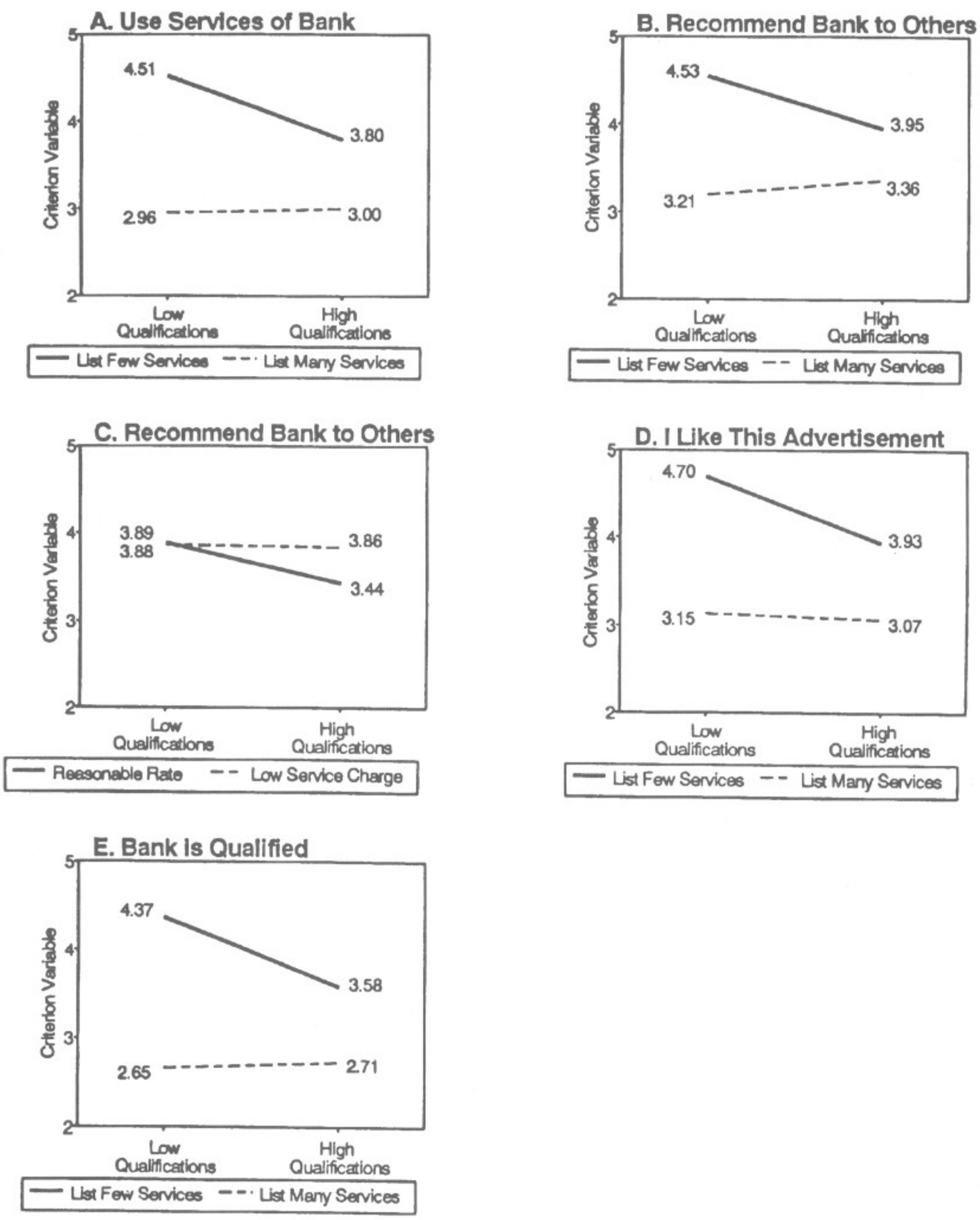
TABLE 2

ANOVAS FOR THE BANK IN THE ADVERTISEMENT IS QUALIFIED TO SERVE MY COMPANY AND BANK WOULD BE TRUSTWORTHY

	Bank is Qualified To Serve My Company			Bank In Advertisement Would Be Trustworthy		
Source of Variation	Mean Square	F Value	Significance Level	Mean Square	F Value	Significance Level
Main Effects						
a. Professional Qualifications	8.02	6.58	.01	11.10	9.97	.002
b. Services Offered	107.10	87.83	.000	28.67	25.76	.000
c. Consultation Fees	2.98	2.44	N.S.	11.60	.11	N.S.
Two-way Interactions						
A X B	11.22	9.21	.003	.99	.89	N.S.
C X A	.43	.35	N.S.	.11	.10	N.S.
B X C	.35	.28	N.S.	.01	.01	N.S.
Three-way Interaction						
A X B X C	2.42	1.98	N.S.	.23	.21	N.S.

N.S., Not Significant

FIGURE 2
PLOTS OF INTERACTION GROUP MEANS



Criterion variables were measured on a six point scale ranging from (1) very strongly agree to (6) very strongly disagree

TABLE 3

ANOVAS FOR THE BANK IN THE ADVERTISEMENT OFFERS A WIDE RANGE OF SERVICES AND SHOULD LIST LOW SERVICE CHARGES

	Bank Offers Wide Range of Services			Bank Should List Low Service Charges		
Source of Variation	Mean Square	F Value	Significance Level	Mean Square	F Value	Significance Level
Main Effects						
a. Professional Qualifications	9.82	8.42	.004	.50	.54	N.S.
b. Services Offered	292.09	250.35	.000	.33	.35	N.S.
c. Consultation Fees	5.52	4.73	.03	.09	.09	N.S.
Two-way Interactions						
A X B	4.18	3.58	N.S.	.48	.52	N.S.
C X A	3.35	2.87	N.S.	2.22	2.40	N.S.
B X C	.99	.85	N.S.	2.49	2.70	N.S.
Three-way Interaction						
A X B X C	1.51	1.89	N.S.	.55	.60	N.S.

N.S., Not Significant

main effects for professional qualifications (F= 6.58, p< .01) and services offered (F= 87.83, p< .0001).

A significant interaction effect between services and qualifications (F= 9.21, p< .003) modifies the interpretation of the results for H3. In the low qualifications condition, listing many services has a greater effect on believing the bank is qualified to serve the small business. This interaction effect is graphically presented in Figure 2E. An examination of the cell means in Table 4 and Figure 2E indicates that H3 is partially supported. The small business executives believe that banks that list many services and few qualifications are the most capable to serve them. However, the mean values demonstrate that the second highest rated condition is the combination of a high level of services and a high level of qualifications in an advertisement.

Hypothesis four predicts the participants will believe a bank is trustworthy if it lists a high level of institutional and personal qualifications in a print advertisement with many services. These findings are presented in Table 2. There are significant main effects for qualifications (F= 9.97, p< .002) and services offered (F= 25.76, p< .0001) on believing the bank in the advertisement would be trustworthy which supports H4. The cell means in Table 4 show that listing many services with more qualifications in an advertisement is the most likely combination of variables to persuade small business managers that the bank is trustworthy.

Hypothesis five states that small business executives will perceive a bank that lists many specific services and extended hours of operation in a print advertisement as offering a wide range of services for small businesses. The findings in Table 3 show significant main effects in support of the predicted outcome for professional qualifications (F= 8.42, p< .004), services offered (F= 250.35, p< .0001), and the description of fees (F= 4.73, p< .03). There are no significant two-way or three-way interaction effects. The cell means in Table 4 support the predicted hypothesis. Small business executives think a bank that lists many specific services with extended hours, a high level of qualifications, and reasonable rates for services in print advertisements will offer a wide range of services for small businesses.

Hypothesis six is not supported. There are no significant main effects for any of the independent variables on the need for a bank to state that it has low service charges in an advertisement. These results are shown in Table 3. Listing qualifications, services, or a description of fees in a print advertisement does not have a

TABLE 4
CELL MEANS FOR DEPENDENT VARIABLES

	Reasonable Rates for Services	Low Service Charges
1. Advertisement Would Persuade Me To Use Services of This Bank		
High Qualifications and High Level of Service	2.68	3.27
High Qualifications and Low Level of Service	3.61	4.04
Low Qualifications and High Level of Service	2.97	2.96
Low Qualifications and Low Level of Service	4.29	4.71
2. Would Recommend This Bank To Other Small Business Managers		
High Qualifications and High Level of Service	3.04	3.64
High Qualifications and Low Level of Service	3.79	4.15
Low Qualifications and High Level of Service	3.31	3.11
Low Qualifications and Low Level of Service	4.50	4.55
3. I Like This Advertisement		
High Qualifications and High Level of Service	2.90	3.23
High Qualifications and Low Level of Service	3.79	4.11
Low Qualifications and High Level of Service	3.21	3.10
Low Qualifications and Low Level of Service	4.43	4.96
4. Bank is Qualified to Serve My Company		
High Qualifications and High Level of Service	2.50	2.91
High Qualifications and Low Level of Service	3.50	3.67
Low Qualifications and High Level of Service	2.72	2.58
Low Qualifications and Low Level of Service	4.17	4.56

TABLE 4 (Cont.)

	Reasonable Rates for Services	Low Service Charges
5. Bank in Advertisement Would Be Trustworthy		
High Qualifications and High Level of Service	2.86	3.00
High Qualifications and Low Level of Service	3.48	3.52
Low Qualifications and High Level of Service	3.28	3.20
Low Qualifications and Low Level of Service	4.04	4.11
6. Bank Offers a Wide Range of Services		
High Qualifications and High Level of Service	1.84	2.21
High Qualifications and Low Level of Service	3.59	4.28
Low Qualifications and High Level of Service	2.19	2.15
Low Qualifications and Low Level of Service	4.52	4.68
7. Bank in The Advertisement Should List Low Service Charges		
High Qualifications and High Level of Service	2.86	3.30
High Qualifications and Low Level of Service	3.15	3.00
Low Qualifications and High Level of Service	3.16	3.03
Low Qualifications and Low Level of Service	3.43	3.10

significant impact on an executive's belief that a bank should list low service charges.

CONCLUSIONS

There has been little empirical investigation of small business executive reactions to the information content of professional service advertisements. Research in this area is important because the unique characteristics of professional services makes it difficult for clients to evaluate a service performance prior to purchase. This increases the likelihood that executives will make a poorly informed selection decision for a professional provider. Conceptual strategy recommendations about service advertisements maintain that special efforts be made to establish nonabstract manifestations of a service to overcome its inherent intangibility (Shostack, 1977; Parasuraman, Zeithaml, and Berry, 1985; Berry and Parasuraman, 1991). Informational advertisements have been proposed as a desirable strategy to provide tangible cues to describe a professional service organization and thus alleviate this problem (Berry and Parasuraman, 1991; Shostack, 1977).

This study extends the professional service advertising literature by experimentally examining the banking information needs of small business executives. This research indicates that advertising is related to the selection decision for a bank by small business executives. Advertising affects their beliefs about whether a bank is qualified and trustworthy to serve their company, and if it offers a wide range of services. Small business executives display a greater likelihood to choose a bank that lists few employee and institutional qualifications, many specific services with extended hours of operation, and reasonable rates for services.

Professional credentials do not seem to serve as tangible indicators of quality for providers of banking services when presented with many specific services targeted toward a small business in an advertisement. Presenting credentials in an advertisement is likely to be more important for other professional service groups such as university professors, physicians, lawyers, accountants, engineers, and architects. Perhaps small business executives think the delivery of specialized banking services does not require advanced education. The respondents may be so familiar with banking services that they do not believe this type of specialized advice requires highly trained personnel.

None of the independent variables in the advertisements are highly rated for recommending a bank to other small business managers. This finding is in sharp contrast to previous research which examined the content of professional service advertisements for accountants (Andrus, Ott, and Ainsworth 1993). The participants in this study probably wish to experience several service performances with bank personnel before they are comfortable with recommending the bank to others.

Unique characteristics of professional services increase the importance of information advertising for a satisfactory exchange to occur. Bank services and performance can be highly variable which can lead to greater risk perceptions by small business managers. It is usually necessary for clients to be present during the production and consumption of banking services. Therefore, promoting service availability with extended hours of operation and specific offerings to small business managers becomes critically important (Butler and Abernethy 1993; Putnam 1990).

Print advertisements for bank services are a useful medium for providing information to overcome the intangible, heterogeneous, perishable, and inseparable dimensions that are inherent features of financial services. Small business managers are most concerned with the amount and type of services offered and their availability. In addition, they want to be charged a reasonable rate for these services. A reasonable rate may be the average of current competitive prices in the local trade area. Listing specific services with extended hours of operation and reasonable rates simplifies the decision process and reduces risk perceptions associated with the purchase of a banking service for small business managers.

One tactic that bank managers can use to differentiate their institution from competitors is to list many specific services with extended hours of operation targeted toward a small business. Small business managers think that this type of information in a bank print advertisement is indicative of an institution that is qualified to serve their company and is trustworthy. In addition, this information combined with the presentation of reasonable rates signals clients that the bank offers a wide range of services that are specifically targeted toward their type of business at an affordable price.

This suggests that two elements for competition in the banking industry are the amount and availability of specialized services that are targeted toward a particular segment and the provision of these services at a reasonable rate. Greater competition based on these two elements should enhance client services by banks as they attempt to improve their print advertisements. This will create greater client satisfaction among those who use these professional services.

The results demonstrate the importance of experimentally examining the elements of a print advertisement for a professional service. Future research should examine specific fees and a wider range of service levels. Services could be studied in terms of individual components rather than the aggregated information found in this study. For example, research could examine the net impact of extended office hours, electronic fund transfers, commercial loans, or payroll services to identify the most important variables for a print advertisement.

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