THE EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION AND LOYALTY: EVIDENCE FROM MALAYSIAN ENGINEERING INDUSTRY

LING Chen Hoe
Senior GM (Meiden Malaysia Sdn Bhd)
Senior Lecturer (Sunway College & SEGi University, KL, Malaysia)

Shaheen Mansori
Associate Professor
INTI International University
Nilai, Malaysia

ABSTRACT

Organizations today are operating in an environment in which little is certain, the tempo is quicker and the dynamics are more complex. The customer is central to the organization and assessing customer satisfaction is a vital element in any strategy for business performance improvement. This makes customer satisfaction a driver for survival, competitiveness and growth. The key determinant for a sustainable business is customer loyalty as loyal customers not only increase the value of the business, but they also enable businesses to maintain costs lower than those associated with attracting new customers. By creating and preserving customer loyalty, organizations develop a long term, mutually beneficial relationship with the customers. The purpose of the research is to study the factors that can assist a company to build a sustainable competitive advantage through the effective enhancement of customer satisfaction and ultimately customer loyalty. The proposed conceptual model consists of the different dimensions of service quality as the independent variables with customer satisfaction the mediating variable and customer loyalty dimensions the dependent variable. Responsiveness, Reliability, Assurance and Tangibility with the exception of Empathy, are dimensions of Service Quality that affect Customer Satisfaction which impacts Loyalty. The results provide insights to understand the dimensions of Service Quality that affect customer satisfaction and the mediating effects customer satisfaction has on customer loyalty in the electrical engineering industry in Malaysia.

1.0 INTRODUCTION

Competitive advantage is vital for an organization's survival and development in the market. Unless the organization develops and adapts its competitive strategy to the prevailing and changing conditions in the market, let alone to achieve its objectives, its continuous survival in the market is doubtful. Understanding the anatomy of competitive advantage is therefore of paramount importance to organizations for a long term survival and success. Organizations can gain competitive advantage when they are able to create and implement an innovative strategy that is not implemented by their competitors (Ma, 1999). Galbearth (2009) highlights positioning approach (Porter, 2008) and the resource-based view (RBV) (Wernerfelt, 1984) as the two dominant perspectives of competitive advantage for a firm.

Tangible assets alone no longer can provide sustainable competitive advantages (Rodriguez Perez & Ordóñez de Pablos, 2003). The resource-based theory hinges on the premise that the source of competitive advantage lies in an organization's internal resources as opposed to their positioning in the external environment (Barney, 2001). This theory predicts that specific types of resources owned and controlled by firms have the impetus to generate competitive advantage and superior firm. A key to the success of an organization to create a sustained competitive advantage is their ability to identify and build their distinctive competencies, in order to produce the greatest value for all stakeholders (Bryson, Ackermann, & Eden, 2007).

Sustained competitive advantage (SCA) is achieved when other competitors are not able to duplicate the organization's developed strategy (Rijamampianina, Abratt, & February, 2003). SCA is the key differentiator of the organization in making its competition irrelevant. Competitive advantage is not static; rather, it is extremely dynamic in nature, since it has to be as flexible as market conditions, especially when customer needs and resources availability are highly variables time to time.

Change in technology has changed the competition landscape. Traditional way of controlling the resources simply does not work as small players also can have access to the advance level of technology with a very affordable cost by using the available open source information or the leasing facilities. Since sources of competitive advantage become scarcer, potential new areas of competitive advantage must be explored (Markley & Davis, 2007). Competitive advantage is created as a firm discovers a new or a more efficient way as compared to its competitors or as soon as it innovates. Defining the source of innovation is equivalent to describing the ways to create competitive advantages, possible through five main sources of innovation: 1) the new

technologies; 2) the modification of the demand or a new demand; 3) the occurrence of a new segment; 4) the changes in the costs or the availability of means of production ; 5) the changes in the regulation (Passemard & Kleiner, 2000).

Clulow et al., (2003) see organizations as sustaining competitive advantage only if they are able to continuously provide value to their customers. When this happens, customers are identified and their needs are communicated throughout the entire organization, and every employee evaluates every process, every task, and every decision by asking one vital question: "How will this add value for our customers?" (Whiteley & Hessan, 1996).

Overall an organization should be able to create superior customer value (Day, 1990). Adopting a customer centric vision enables an organisation understand their customers 1000 years ago, to win without a fight should be the supreme among all strategies. A firm can, under certain situations, win without fight by carefully positioning itself through innovation which affords it competitive advantages.

Building a competitive advantage involves understanding the needs of the market (customers) and devising a strategy to make use of the resources that are available (or can be obtained) to set the business apart from the competition. The strategy needs to take into account the target market and the company's strengths and weaknesses. Despite the high number of researches that explain and study the significant impact of creating sustainable competitive advantages of the performance of the company, still there are not many literature that focus on the factors of competitive advantage from service and product perspective (for example; service quality, product quality) in business to business (B2B) sector.

Thus, the primary aim of this research is to study the factors that can influence the customer satisfaction and consequently customer loyalty. The preceding sections of the literature review have focused on how organizations can achieve competitive advantage. From the literature review, it has been ascertained that both the internal factors (organization's human resource capability) and external factors (business environment) are important in determining the critical success factors for organizational performance. The focus of this research is on the internal factors of the organization, namely the service quality of organizations and its effects on customer satisfaction and loyalty.

2.0 LITERATURE REVIEW

The following section develops the conceptual framework for the research in seeking to understand better customer's needs and expectations to be derived from the following literature review.

2.1 Customer Loyalty

Lovelock (1983) conceptualized loyalty as the willingness of a customer to maintain a relationship with the firm, continue to purchase and use its products or services and likely to recommend the firm to others. Similarly, Gremler and Brown (1996) defined customer loyalty as those who repeat purchase from the same product and service provider.

Cronin and Taylor (1992) stated that the relationship between service quality and customer satisfaction has a direct impact on customer's loyalty as the universal understanding that keeping a loyal base of customers is much profitable for a company than attracting new customers. The results of Brown and Chen's (2001) study supported the contentions that there is a positive correlation between loyal customers and profitability. Loyal customers are likely to provide repeat business and were less likely to shop around than non-loyal customers (Oliver, 2010).

Building customer loyalty is a business strategy to boost loyalty and maximize share of customers. The pursuit of customer loyalty is a perpetual one. It is more of a journey than a destination. Customer loyalty yields significant benefits if its pursuit is part of an overall business strategy (Sower, Duffy, Kilbourne, Kohers, & Jones, 2001). According to Jones (1996), customer loyalty is a prime determinant of long-term performance of organizations. Increasing customer satisfaction and customer retention leads to improved profits, positive word-of-mouth and lower marketing expenditures (Heskett & Sasser Jr, 2010).
The research of McMullan and Gilmore (2008) emphasizes the importance of a differentiated approach to developing and managing customer loyalty by providing them value in the products and services offering. By focusing on customer value organizations think outwards, toward external customers and about ways in which customers can achieve greater responsiveness to their needs (Wooduff, 1997). Organizations focus on achieving customer satisfaction and loyalty by delivering superior value, an underlying source of competitive advantage (Yang & Peterson, 2004).

Customer loyalty is one of the most important customer metrics in marketing due to the profit impact of maintaining a loyal customer base (Oliver, 2010). The literature points out that customer loyalty lead to firm profitability because customer loyalty positively influences firm product-marketplace performance (Anderson & Mittal, 2000) and financial performance (Gupta & Zeithaml, 2006). Brown and Chen (2001) proposes three approaches used to measure customer loyalty: 1) Behavioural measurement; 2) Attitudinal measurement; 3) Composite measurement.

Behavioural measurements consider continuous, repetitive purchase behaviour as an indicator of loyalty. The attitudinal measurements use attitudinal information to show the emotional and

psychological attachment inherent in loyalty, which include intentions for re-purchase and the spreading of positive word-of-mouth about a product or service. Composite measurement of loyalty combines both behavioural and attitudinal dimensions (Rundle-Thiele & Maio Mackay, 2001). It measures loyalty in terms of preferences as a result of trust in a product or service further explaining that a customer is sincerely loyal only when brand commitment is present, which in turn is "mediated by a high degree of affective and cognitive brand conviction and attitude strength." When a customer is said to have strong resistance to change brands and have durable conviction over time, there is a high tendency to be committed to a brand, resulting to measurement of loyalty.

2.2 Customer Satisfaction

Customers today have different needs and increasingly demand for higher quality of products and services. However, in majority of case customer priorities often differ significantly from what organizations think they are (Quinn & Humble, 1993). While the needs of customers has been recognised as being of crucial importance but that understanding has not yet been fully translated into action in terms of accessing the necessary information.

In general definition "quality" is "satisfying customer's requirements" (Ghobadian, Speller, & Jones, 1994). What quality means for the customer today no longer constitutes a competitive weapon but the basic core offering expected by customers Drucker (2005) suggests that the sole purpose of any organization is to create value for its customers. To enjoy superior performance, we need to serve the customer in distinctive ways to attract, satisfy and retain them (Hax & Wilde, 2003).

Customer satisfaction goes beyond service experience that a customer went through. It incorporates value judgment and comparison to initial expectation of what the service quality should be; oftentimes based it is an overall comparison between the value that customers perceive and the price that they pays (Rust & Zahorik, 1993). By focusing on customer value organizations think outwards, toward external customers and about ways in which customers can achieve greater responsiveness to their needs (Wooduff, 1997). Fulfillment of customer needs through delivering customer value, in turn increases customer loyalty (Gronholdt, Martensen, & Kristensen, 2000).

2.3 Service Quality

In today's changing global environment, organizations are facing intensifying competition and in order to achieve competitive advantage and efficiency, organizations have to seek ways to

differentiate themselves. In the current competitive market environment, quality improvement is identified as a key strategy for organizations to succeed (Cronin Jr & Taylor, 1992).

Researchers have studied the concept of service for years without a comprehensive model or conceptualization of service quality (Cronin Jr & Taylor, 1992). The most common operational definition posits quality as the customer's perception of service excellence. Development of a customer satisfaction theory is attributed to (Parasuraman, Zeithaml, & Berry, 1985). Their multi-item SERVQUAL scale is one of the first attempts to operationally analyze the theoretical construct of customer satisfaction.

Quality has come to be recognized as a strategic tool for attaining operational efficiency and improved business performance for both the products and services sectors. However, the problem with management of service quality in service firms is that quality is not easily identifiable and measurable due to inherent characteristics of services which make them different from goods. Various definitions of the term 'service quality' have been proposed in the past and, based on different definitions; different scales for measuring service quality have been put forward. SERVQUAL and SERVPERF constitute two major service quality measurement scales. The consensus, however, continues to elude till date as to which one is superior (Jain & Gupta, 2004).

The Service Quality model or the SERVQUAL model (Zeithaml, Parasuraman, & Berry, 1990) developed for measuring service quality highlights the requirements for delivering high service quality by comparing customer perceptions with their expectations. The RATER model is a model for quantitatively exploring and assessing customers' service experiences and expectations. SERVQUAL, a service quality framework is a scale used to "measure and improve service quality in a variety of industries" (Gonzalez, Mueller, & Mack, 2008).

Parasuraman (1985) proposed a conceptual model for the SERVQUAL model of service quality based on five quality attributes:
1. Reliability – This is the ability of a company to perform the services by following the required deadlines and specifications.
2. Assurance – This is the knowledge and courtesy of employees of the company and their ability to convey   trust and instill confidence in their customers that the deliverables will be met.
3. Tangibles – This is the Physical facilities, machinery, equipment, tools & facilities of the company that deals with the customers.
4. Empathy – This is the Caring, individualized attention and understanding of the customers' business and challenges by the company and its employees.
5. Responsiveness – This is the company's response and willingness to provide prompt service to its customers to meet the customer's requirements and datelines.

Over the years, many questions have been raised regarding SERVQUAL as a measurement scale for the theoretical construct of service quality. While recognizing the many apparent shortcomings of the SERVQUAL model, it should be noted that this model was one the first comprehensive attempts to measure service quality in the service field and still used today, despite its apparent limitations.

SERVQUAL consists of 22 pairs of items: one member of each pair assessing the customer's expectations, the other assessing perceptions of service quality. Service quality is determined by calculating the difference between expectations and perceptions for each item. This aspect of the administration of SERVQUAL has been criticized on the grounds that there is a lack of evidence supporting the expectation-performance gap as a predictive measure of service quality (Cronin Jr & Taylor, 1994).

Cornin Jr & Tylor (1994) found weaknesses in SERVQUAL, namely its basis for determining satisfaction due to a lack of evidence supporting the expectation-performance gap as a predictive measure of service quality. They opined that expectation (E) component of SERVQUAL be discarded and instead performance (P) component alone be used. They proposed what is referred to as the Service Performance Model (SERVPERF) scale to provide a more convergent as well as valid explanation of service quality. Cornin Jr and Taylor (1994) offer a theoretical justification for discarding the expectations portion of SERVQUAL in favor of performance measures (SERVPERF). The term "performance-only measures" has thus come to refer to service quality measures that are based on customers' perceptions of the performance of a service provider, as opposed to the difference (or gap) between the performance perceptions and their performance expectations. They found that for cross-sectional studies, performance only based measures may better reflect customers' long-term service quality assessments.

Cornin Jr & Tylor (1994) found that their measure of service performance (SERVPERF) produced better results, more reliable estimations, greater convergent and discriminant validity, greater explained variance, and consequently less bias than the SERVQUAL. However, according to study carried out by Ladhari, (2009), it is recommended that the SERVQUAL model is still a good scale to use when measuring service quality because it takes into account customer's expectation of a service as well as perceptions of the service which is a good way to measure service quality. Therefore, we have adopted this model for our research.

Figure 1: Conceptual framework

Conceptual framework

Independent Variables

Mediating Variable

Dependent Variables

Service Quality dimensions of:
• Assurance
• Empathy
• Reliability
• Tangibility
• Responsiveness

H1 to H5 → Customer Satisfaction → H6 → Customer Loyalty
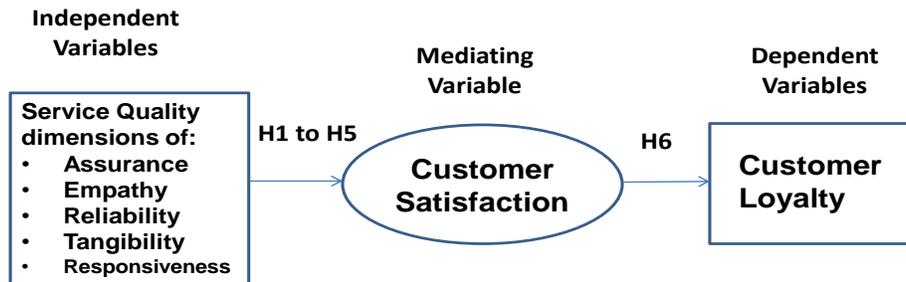
Hypotheses

H1. There is a direct relationship between Assurance and Customer Satisfaction

H2. There is a direct relationship between Empathy and Customer Satisfaction

H3. There is a direct relationship between Reliability and Customer Satisfaction

H4. There is a direct relationship between Tangibility and Customer Satisfaction

H5. There is a direct relationship between Responsiveness and Customer Satisfaction

H6. There is a positive relationship between Customer Satisfaction and Loyalty

Methodology

The selection of an appropriate methodology is fundamental to the success of any research project. In choosing a methodology for conducting their research, researchers must balance theoretical ambition with the practical constraints. There is no one best way of conducting research, rather the method needs to be chosen to suit the specific circumstances of the research

(Babbie, 2015). A descriptive research method's main purpose is to describe the characteristics and details of the population such as who, what, when, where and how (Yin, 2013). Therefore, to carry out the study to ascertain customer satisfaction and its relationships with the variables identified in the conceptual framework, quantitative primary data collection is proposed to be collected using survey questionnaires via email to be sent to customers of the different business segments of the industry.

Section A of the survey questionnaire consists of questions on organizational profile while Section B solicits responses from the respondents representing their respective organizations on the variables from the model developed for the research. Likert-type scales are by far the most common survey instrument for attitude measurement based on three reasons, namely: conformity with current research practice, ease of scale construction and standards for measurement evaluation that align with test theory (Bartikowski, Kamei, & Chandon, 2010). A commonly used 5-point Likert scale format is used to measure satisfaction (McMullan, 2005). For Section B, a 5 point Likert scale measurements were administered, ranging from 1 (representing strongly disagree) to 5 (representing strongly agree) with 3 indicating neutral.

Data Analysis and Discussion

For the purpose of this study the link to the survey questionnaires in Google Docs was sent by email to 90 the authorized personnel whom could be the CEO, technical or procurement personnel to respond on behalf of their organization. Strategic Business Units (SBU) within an organization is also considered independently due to the differences in their business focus. 78 responses were successfully collected from participants and included into the final analysis.

The research sets out to find the dimensions of service quality that affect customer satisfaction and the mediating effects of customer satisfaction on customer loyalty in the electrical engineering industry in Malaysia. The following is the breakdown of the Private / Public sector profile of the customer organizations. The majority of the customer organizations (87.2%) represent the Private sector while the remaining 12.8% are from the Public sector.

Table 1: Organizational Profile

	Frequency	Percent	Cumulative Percent
Sector			
Private	68	87.2	87.2
Public	10	12.8	100.0

Total	78	100.0	

Industry

Construction	7	9.0	9.0
Manufacturing	32	41.0	50.0
Power	24	30.8	80.8
Railway	10	12.8	93.6
Water	5	6.4	100.0
Total	78	100.0	

Size of organization turnover

More than RM 50 Million	44	56.4	56.4
RM 10 - 50 Million	15	19.2	75.6
Up to RM 10 Million	19	24.4	100.0
Total	78	100.0	

The following is the breakdown of the Industry the customer organizations are in. The majority are from the Manufacturing (41%) and Power (30.8%) industry while Railway, Construction and Water make up the remaining industries.

The size of the customer organizations in terms of turnover is shown below. Majority (56.4%) has a turnover of more than RM 50 Million with the balance almost evenly split between those with RM 10-50 Million (19.2%) and those with Up to RM 10 Million turnover (24.4%).

The country of origin of the customer organizations are represented below. Most of the customer organizations are local (Malaysian) at 67.9% with a sizeable of Japanese origin (24.4%). French and Korean although small in percentage make up the remaining.

Validity and Reliability Test

Table 2 : Measurement Validity and Reliability Analysis

	Factor Load	AVE	Composite Reliability	Cronbach's Alpha
Assurance				
Our main service provider is dependable in meeting my organization's service needs	0.8614			
Our main service provider is reliable in meeting my organization's service needs	0.9109	0.8623	0.9494	0.9202
Our main service provider "does things right the first time" in meeting my organization's service needs	0.8461			
Empathy				
Our main service provider is knowledgeable in the provision of services to my organization	0.931			
Our main service provider instills confidence in meeting my organization's service needs	0.9368	0.8215	0.9325	0.8912
Our main service provider instills trust in meeting my organization's service needs	0.9179			
Reliability				
Our main service provider provides up-to-date equipment to meet my organization's service needs	0.898	0.7625	0.9059	0.8445
Our main service provider provides up-to-date technology to meet my organization's service needs	0.9307			
Our main service provider provides satisfactory documentation for my organization's service needs	0.8063			

Tangibility

		0.7743	0.9111	0.8522
Our main service provider understands my organization's service needs	0.8986			
Our main service provider cares for my organization's service needs	0.9284			
Our main service provider is committed to meet my organization's service needs	0.8918			

Responsiveness

		0.8554	0.9466	0.9152
Our main service provider provides adequate services to meet my organization's service needs	0.899			
Our main service provider provides prompt services to meet my organization's service needs	0.9332			
Our main service provider provides timely services to meet my organization's service needs	0.9419			

Satisfaction

		0.774	0.9536	0.9415
Our main service provider has a strong focus on its customers	0.863			
Our main service provider's employees are motivated to serve its customers	0.8513			
Our main service provider's top management are committed to customer satisfaction	0.8851			
Our main service provider engages in continual monitoring of its customer satisfaction activities	0.8766			
Our main service provider engages in a continuous improvement cycle	0.9143			

Loyalty

My organization intend to repurchase Our main service provider's products and services	0.7645	0.6619	0.9462	0.9363
Our main service provider is my organization's first consideration as product and service provider	0.8075			
My organization will continue to be a loyal customer of Our main service provider	0.8552			
My organization tell others about our experiences with Our main service provider	0.7255			
My organization recommends Our main service provider's products and services to others	0.8548			
My organization encourage others to use Our main service provider's products and services	0.8415			
My organization finds that Our main service provider can be counted on to do what is right	0.8168			
My organization finds that Our main service provider has high integrity	0.8402			
My organization finds that Our main service provider is trustworthy	0.8068			

The results from table 2 show that the factor loading of all items for the developed measurement instrument are above 0.5 and average factor loading of each construct is above 0.7. In addition, Cronbach's Alphas of all variables are above 0.8. Overall, these results that the designed instrument for study has acceptable level of reliability and validity.

Hypotheses Testing

Table3 : Path Coefficient

		B-Coefficient	Standard Deviation	Standard Error	T Statistics	
Assurance Satisfaction	->	0.2084	0.0609	0.0609	3.5369	Supported
Empathy -> Satisfaction		0.0704	0.0621	0.0621	1.0616	Not-Supported
Reliability Satisfaction	->	0.2247	0.0728	0.0728	3.1446	Supported
Tangibility Satisfaction	->	0.1281	0.0449	0.0449	2.8323	Supported
Responsiveness Satisfaction	->	0.3161	0.0603	0.0603	5.1345	Supported
Satisfaction -> Loyalty		0.7708	0.0264	0.0264	29.1791	Supported

The results from path analysis show that hypotheses 1,3,4,5 are supported as the calculated t-statistics for all of these hypotheses are above 1.96 (at 95% interval confidence. However, the relationship between empathy and customer satisfaction is not-supported (t-statistics – 1.0061). Furthermore, the level of beta-coefficients indicate that responsiveness (β=0.3161) has the highest influence on the level of customer satisfaction follow by reliability (β=0.2247), assurance (β=0.2084) and tangibility (β=0.1281). The results also reveal that the relationship between satisfaction and loyalty level of customers is very strong and positive (t-statistics= 29.18, β=0.77).

Managerial Discussion

This study seeks to understand the relationships between the variables identified from literature review that form the conceptual framework affecting companies in the electrical engineering industry in Malaysia to contribute to the expansion of the scholarship.

The findings of the study support a direct relationship between the service quality dimensions of assurance, reliability, tangibility, responsiveness and customer satisfaction but not empathy. The research findings also support a positive relationship between customer satisfaction and Loyalty. This is in contrast to the findings of Ravichandran et al (2010) in their study on the banking

sector in India, where they have found that only responsiveness has a significant impact in predicting customer satisfaction, suggesting that recognizing responsiveness as a form of responsibility is essential to increase customers' satisfaction with the banking service. This contrast is primarily due to the difference in the nature of the industry as well as the country that the survey is administered. It is not unexpected that results may differ when making cross industry and cross nationality comparisons.

The results of the study can serve as an input for the improvement initiatives for the industry, particularly the emphasis placed by customers of the engineering industry in relations to service quality. The recommendation to improve service quality therefore is to enhance the internal capabilities of the organization through an effective and comprehensive talent management program aimed at attracting, developing and retaining suitable talent for the job with an emphasis on the factors that make up the above dimensions of service quality. The improvements in service quality will require significant investments in the organization's human resources. To address the above concerns highlighted by the customers in this study, a talent management program from every stage, namely the processes of attraction, training, development and retention of employees is recommended in alignment with the organizational goals and objectives. Ways to engage and motivate employees must be reviewed taking into consideration best practices in the industry, specifically in view of the findings of this study that emphasizes responsiveness, reliability and assurance of services.

An understanding on the significance of employee competency fit, actions and its relationship with the expected results as per this study and the organizational goals and objectives should be emphasized to ensure employees tasked with providing services to the customers fully understands them, how they can impact the outcomes and are engaged to do so. The outcomes of rendering the required Service Quality that impact customer satisfaction and loyalty can then contribute to the overall performance of the organization.

Limitations and further study recommendations.

A cross sectional study was undertaken to ascertain the customer's feedback. It may be difficult to expect a higher response rate as respondents may not fully see the benefit of the research, thus curtailing their efforts or even limiting their participation.

Recommendations for future research can be made to address the limitations of this research, namely to carry out a longitudinal study can be conducted as the expectation and requirements of customers can change over time. As the sample size of 78 is relatively small, further research could also be done to replicate this study with other customer organizations in the industry to

further validate its findings. A qualitative approach using one on one interview or focus groups could also be done for triangulation of findings.

References

Anderson, E. W., & Mittal, V. (2000). Strengthening the satisfaction-profit chain. *Journal of service research, 3*(2), 107-120.

Babbie, E. (2015). *The practice of social research*: Cengage Learning.

Barney, J. B. (2001). Is the resource-based "view" a useful perspective for strategic management research? Yes. *Academy of management review, 26*(1), 41-56.

Bartikowski, B., Kamei, K., & Chandon, J.-L. (2010). A verbal rating scale to measure Japanese consumers' perceptions of product quality. *Asia Pacific Journal of Marketing and Logistics, 22*(2), 179-195.

Bowen, J. T., & Chen, S.-L. (2001). The relationship between customer loyalty and customer satisfaction. *International journal of contemporary hospitality management, 13*(5), 213-217.

Bryson, J. M., Ackermann, F., & Eden, C. (2007). Putting the Resource-Based View of Strategy and Distinctive Competencies to Work in Public Organizations. *Public Administration Review, 67*(4), 702-717.

Clulow, V., Gerstman, J., & Barry, C. (2003). The resource-based view and sustainable competitive advantage: the case of a financial services firm. *Journal of European Industrial Training, 27*(5), 220-232.

Cronin Jr, J. J., & Taylor, S. A. (1992). Measuring service quality: a reexamination and extension. *The Journal of Marketing*, 55-68.

Cronin Jr, J. J., & Taylor, S. A. (1994). SERVPERF versus SERVQUAL: reconciling performance-based and perceptions-minus-expectations measurement of service quality. *The Journal of Marketing*, 125-131.

Day, G. S. (1990). *Marketing Driven Strategy: Process For Creating Value*: New York, Free Press.

Drucker, P. F. (2005). Managing oneself. *Harvard business review, 83*(1), 100-109.

Field, A. (2009). Discovering Statistics using SPSS. Sage: London.

Galbreath, J. (2009). Building corporate social responsibility into strategy. *European business review, 21*(2), 109-127.

Ghobadian, A., Speller, S., & Jones, M. (1994). Service quality: concepts and models. *International Journal of Quality & Reliability Management, 11*(9), 43-66.

Gonzalez, M. E., Mueller, R. D., & Mack, R. W. (2008). An alternative approach in service quality: an e-banking case study. *Quality Management Journal, 15*(1).

Gremler, D. D., & Brown, S. W. (1996). Service loyalty: its nature, importance, and implications. *Advancing service quality: A global perspective*, 171-180.

Gronholdt, L., Martensen, A., & Kristensen, K. (2000). The relationship between customer

satisfaction and loyalty: cross-industry differences. *Total Quality Management, 11*(4-6), 509-514.

Gupta, S., & Zeithaml, V. (2006). Customer metrics and their impact on financial performance. *Marketing Science, 25*(6), 718-739.

Hax, A. C., & Wilde, D. L. (2003). The Delta Model-a new Framework of strategy. *Journal of Strategic Management Education, 1*(1), 1-21.

Heskett, J. L., & Sasser Jr, W. E. (2010). The service profit chain *Handbook of service science* (pp. 19-29): Springer.

Jackson, S. E., & Schuler, R. S. (1995). Understanding human resource management in the context of organizations and their environments. *Strategic Human Resource Management, 46*, 237-264.

Jain, S. K., & Gupta, G. (2004). Measuring service quality: SERVQUAL vs. SERVPERF scales. *Vikalpa, 29*(2), 25-37.

Jones, T. O. (1996). Why satisfied customers defect. *Journal of management in engineering, 12*(6), 11-11.

Khilji, S. E., Davis, E. B., & Cseh, M. (2010). Building competitive advantage in a global environment: Leadership and the mindset. *The past, present and future of international business and management. Advances in International Management, 23*, 353-373.

Ladhari, R. (2009). A review of twenty years of SERVQUAL research, International Journal of Quality and Service Sciences, Vol. 1, Number 2. P.172-198.

Lovelock, C. H. (1983). Classifying services to gain strategic marketing insights. *The Journal of Marketing*, 9-20.

Ma, H. (1999). Anatomy of competitive advantage: a SELECT framework. *Management Decision, 37*(9), 709-718.

Markley, M. J., & Davis, L. (2007). Exploring future competitive advantage through sustainable supply chains. *International Journal of Physical Distribution & Logistics Management, 37*(9), 763-774.

McMullan, R. (2005). A multiple-item scale for measuring customer loyalty development. *Journal of Services Marketing, 19*(7), 470-481.

McMullan, R., & Gilmore, A. (2008). Customer loyalty: an empirical study. *European Journal of Marketing, 42*(9/10), 1084-1094.

Newhall, S. (2012). A global approach to talent management: High-quality leaders are the key to competitive advantage. *Human Resource Management International Digest, 20*(6), 31-34.

Oliver, R. L. (2010). *Satisfaction: A behavioral perspective on the consumer*: ME sharpe.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *The Journal of Marketing*, 41-50.

Passemard, D., & Kleiner, B. H. (2000). Competitive advantage in global industries. *Management Research News, 23*(7/8), 111-117.

Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard business review, 86*(1), 25-40.

Quinn, M., & Humble, J. (1993). Using service to gain a competitive edge—The PROMPT

approach. *Long Range Planning, 26*(2), 31-40.

Rijamampianina, R., Abratt, R., & February, Y. (2003). A framework for concentric diversification through sustainable competitive advantage. *Management Decision, 41*(4), 362-371.

Rodriguez Perez, J., & Ordóñez de Pablos, P. (2003). Knowledge management and organizational competitiveness: A framework for human capital analysis. *Journal of Knowledge Management, 7*(3), 82-91.

Rundle-Thiele, S., & Maio Mackay, M. (2001). Assessing the performance of brand loyalty measures. *Journal of Services Marketing, 15*(7), 529-546.

Rust, R. T., & Zahorik, A. J. (1993). Customer satisfaction, customer retention, and market share. *Journal of retailing, 69*(2), 193-215.

Sower, V., Duffy, J., Kilbourne, W., Kohers, G., & Jones, P. (2001). The dimensions of service quality for hospitals: development and use of the KQCAH scale. *Health Care Management Review, 26*(2), 47-59.

Tyson, S. (1995). *Human resource strategy: Towards a general theory of human resource management*: Financial Times Management.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal, 5*(2), 171-180.

Whiteley, R., & Hessan, D. (1996). Customer-centred growth: five strategies for building competitive advantage. *Managing Service Quality: An International Journal, 6*(5), 47-52.

Wooduff, R. (1997). Customer value: the next source for competitive advantage [J]. *J Acad Mark Sci, 25*(2), 139-153.

Yang, Z., & Peterson, R. T. (2004). Customer perceived value, satisfaction, and loyalty: The role of switching costs. *Psychology & Marketing, 21*(10), 799-822.

Yin, R. K. (2013). *Case study research: Design and methods*: Sage publications.

Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1990). *Delivering quality service: Balancing customer perceptions and expectations*: Simon and Schuster.

Zheng, W., Yang, B., & McLean, G. N. (2010). Linking organizational culture, structure, strategy, and organizational effectiveness: Mediating role of knowledge management. *Journal of Business Research, 63*(7), 763-771.