

Service Excellence Strategy and Firm Performance: A Study on Hotel Businesses in Thailand

กลยุทธ์ความเป็นเลิศทางการบริการกับผลการดำเนินงาน ของธุรกิจโรงแรมในประเทศไทย

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Abstract

Firms with traditional approaches are difficult to compete with competitors under changing and intensive competitions. Firms need to emphasize competitive strategies to handle problems when they face those situations. Service excellence strategy (SES) is a great strategy to enhance customer satisfaction and firm performance. Hence, this research aims at examining the dimensions of SES how each dimension of SES influences its consequences, namely, superior customer satisfaction, outstanding customer acceptance, advanced customer involvement, and firm performance. The data were obtained from a survey that investigated 208 marketing directors or managers of four to five stars hotel businesses in Thailand. The study found that service response orientation is the most important dimension of SES affecting all consequences. Customer relationship awareness essentially influences firm performance.

Keywords: *Service Excellence Strategy, Customer Satisfaction, Customer acceptance, Customer Involvement, Hotel Businesses*

บทคัดย่อ

ในปัจจุบัน ธุรกิจที่มีรูปแบบการดำเนินธุรกิจแบบเก่าอาจพบปัญหาในการแข่งขันกับคู่แข่งภายใต้การแข่งขันที่รุนแรงเพิ่มมากขึ้น ธุรกิจจึงต้องให้ความสำคัญกับกลยุทธ์ทางการแข่งขันเพื่อแก้ไขปัญหาเหล่านั้น กลยุทธ์ความเป็นเลิศทางการบริการเป็นกลยุทธ์หนึ่งที่ช่วยเพิ่มความพึงพอใจของลูกค้าและผลการดำเนินงานของธุรกิจ ดังนั้น วัตถุประสงค์ของงานวิจัยนี้คือเพื่อศึกษาองค์ประกอบของกลยุทธ์ดังกล่าวว่าแต่ละองค์ประกอบนั้นจะส่งผลต่อตัวแปรตาม ซึ่งประกอบด้วยความพึงพอใจของลูกค้าที่ดีกว่า การยอมรับของลูกค้าที่โดดเด่น การมีส่วนร่วมของลูกค้าที่มากขึ้น และผลการดำเนินงานของธุรกิจ ข้อมูลที่ใช้ในการศึกษานี้ได้จากการสำรวจความคิดเห็นของผู้อำนวยการฝ่ายการตลาดหรือผู้จัดการฝ่ายการตลาดของ

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ธุรกิจโรงแรมระดับ 4 และ 5 ดาวที่อยู่ในประเทศไทยจำนวน 208 ยบับ ผลการวิจัยพบว่า การมุ่งเน้นการตอบสนองการบริการนั้นเป็นองค์ประกอบที่สำคัญที่สุดของกลยุทธ์ความเป็นเลิศทางการบริการ ซึ่งส่งผลต่อตัวแปรตามทุกตัวและพบว่าการตระหนักถึงลูกค้าสัมพันธ์มีอิทธิพลสำคัญต่อผลการดำเนินงานของธุรกิจ

คำสำคัญ: กลยุทธ์ความเป็นเลิศทางการบริการ ความพึงพอใจของลูกค้า การยอมรับของลูกค้า การมีส่วนร่วมของลูกค้า ธุรกิจโรงแรม

1. Introduction

Presently, firms with traditional approaches are difficult to compete with competitors under the changing circumstances such as technological evolution and globalization. To gain competitiveness in today's market, firms have the necessity to adapt themselves to ensure their survival and to reach their performance in the future (Danneels, 2002). Furthermore, as goods have become commoditized, service is the key point that many firms attempt to seek to differentiate themselves from their competitors (Pine II & Gilmore, 1998). In other words, firms need to emphasize competitive strategies by analyzing situations and determining the direction of what they should do for generating outstanding service.

One of several service strategies, which has an effective way to boost customer satisfaction and firm performance is service excellence strategy (SES). Service excellence and customer satisfaction have become a main concern for operating management in service industries (Alin, Juin, Mon Kim Man, & Harun, 2009). Cina (1990) suggests five steps to service excellence which consist of 1) knowing a firm's moments of truth (customer contacts), 2) gaining inventory of the firm's moments of truth, 3) assessing importance/performance of each contact, 4) establishing a service management discipline, and 5) implementing the firm's action plan to

accomplish service excellence. It can be stated that service excellence stems from delivering the promise, providing a personal touch, going the extra mile, and dealing well with problems and queries (Johnston, 2004). In other words, providing extra services or supplementary, as well as unpredicted benefits and basic service which positively surprises customers during their uses of the services, can increase customer satisfaction (Crotts & Magnini, 2011), which lead to enhance the firm performance.

Marketing scholars are now increasingly paying attention to Asian market regarding the best-in-class or service excellence (Ozer, 2006). Thailand is one of the Asian countries that focuses strongly on services, especially the hotel business. According to the statistics of the Department of Tourism, nearly 2.2 million international tourists came to Thailand in October 2014, or a 6% increase as compared with the same period in 2013 (Department of Tourism, 2011). Consequently, occupancy rates in hotels improved, which was in accordance with a report of TAT Intelligence Center regarding a number of both Thai and international guests. It shows that there were approximately 86 and 101 million guests in 2011 and 2012, respectively (TAT Intelligence Center, 2015). Hence, a firm has to significantly seek a great strategy that improves its competitive advantages and compete with its competitors in the hotel market.

To remain in a position of competitive advantage, firms do not only endeavor to deliver services to satisfy customers’ needs and demands, but also expectedly generate and develop a great and positive, new service offerings, processes and even business models in order to compete more effectively and efficiently than the existing and future competitors. Hence, the main purpose of this study is to examine how each dimension of SES can influence their consequences consisting of superior customer satisfaction, outstanding

customer acceptance, advanced customer involvement, and firm performance on hotel businesses in Thailand.

2. Literature Review

This study attempts to link the relationships between each dimension of SES and its consequences. The conceptual framework of SES and firm performance is discussed and scrutinized obviously. Therefore, a developed conceptual framework is shown in Figure 1.

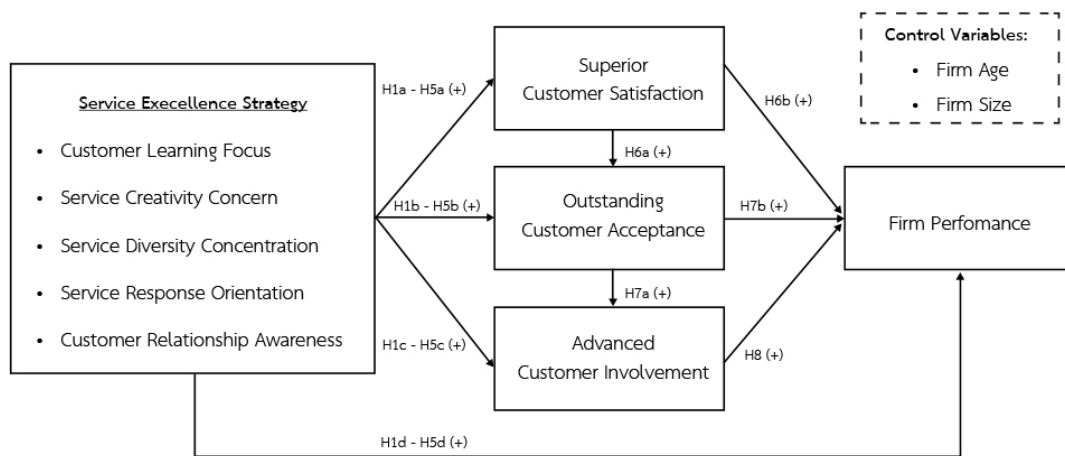


Figure 1 A Conceptual Framework

Service Excellence Strategy (SES)

SES is defined as a firm’s capability to provide best-in class service (Šerek, 2013). In another view, service excellence refers to being “easy to do business with” (Johnston, 2004), delivering promises and being an expression of very high satisfaction (Hariandja, Simatupang, Nasution, & Larso, 2014). Service excellence results in not only customer satisfaction, but also customer delight, greater customer loyalty (Gouthier, Giese, & Bartl, 2012), and the long-term profitability (Edvardsson & Enquist, 2011).

Accordingly, this research defines SES as an approach of a firm in providing superior services that constantly surpass its expectations (Hinds, 2006). This study sheds light on the dimensions of SES by extending the study of Hariandja et al.’s (2014) and HoVoon, Abdullah, Lee, and Kueh (2014). Five dimensions of SES include customer learning focus, service creativity concern, service diversity concentration, service response orientation, and customer relationship awareness.

Customer Learning Focus (CLF)

This research defines CLF as continuously enhancing actions through greater knowledge and understanding of customer needs (Cummings & Worley, 1997). CLF will be effective, as it depends on three critical factors containing management customer orientation or organizational values, customer feedback, and employee learning orientation (Bernard, Osmonbekov, & McKee, 2011). For example, Ritz Carlton, a high-end luxury hotel, employs the term “customer customization” to communicate the importance of personalized service (Solnet & Kandampully, 2008). It also utilizes various methods to effectively listen to their customers’ preferences such as training their staffs to collect on cues from customers that can later be used to surprise the customer as well as empowering employees to solve a customer’s problem and/or exceed his/her expectations. As a result, CLF is more likely to generate great customer satisfaction, increase the acceptance of customers, stimulate more customer involvement, and improve higher firm performance. From the aforementioned arguments on CLF, the first hypothesis can be proposed as:

Hypothesis 1: CLF is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advanced customer involvement, and (d) firm performance.

Service Creativity Concern (SCC)

In the service context, customers should be considered as important sources of information for planning, introducing new services, and improving the services. They often advise or inform the firm of what they expect and

perceive regarding the service and the service process via comments to frontline employees or complaints (Gouthier & Schmid, 2003). So, SCC is the generation of a new and meaningful service concept or idea (Dahlen, 2008). Generating pioneering services from customers’ ideas, advises or comments may benefit a firm to meet its expectations easily, which result in greater customer satisfaction and customer acceptance. Predominantly, if the firm focuses dramatically on seeking the creative services and serve the customers in excess of their expectations, superior customer satisfaction and customer acceptance is likely to increase. Simultaneously, the firm may stimulate customers to be as co-development (Anderson & Crocca, 1993) or knowledge co-creation (Blazevic & Lievens., 2008). This is a result of outstanding customer involvement. Additionally, when customers’ need is fulfilled, they may repurchase or spread positive word-of-mouth about the firm, and that may result in superior firm performance. From the aforementioned arguments on SCC, the second hypothesis can be proposed as:

Hypothesis 2: SCC is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advanced customer involvement, and (d) firm performance.

Service Diversity Concentration (SDC)

SDC refers to creating a variety of services, which is defined as customization, or the response to different customers’ needs (Roberts, 2008). If a firm can implement online self-services successfully, it can generate various benefits such as standardization of service delivery, reduction of labor costs and expansion

of the options for service delivery (Lin & Filieri, 2015). The firm that has a large variety of service choices can satisfy and stimulate customers to join in more activities of services (Madera, Dawson, & Neal, 2013), resulting in a larger market share due to the match between customer needs and service assortment of firm (Lancaster, 1990). From the aforementioned arguments on SDC, the third hypothesis can be proposed as:

Hypothesis 3: SDC is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advanced customer involvement, and (d) firm performance.

Service Response Orientation (SRO)

SRO refers to providing speedy services, a variety of services, and the willingness to support customers within service delivery processes (Asree, Zain, & Rizal Razalli, 2010). The word “response” or “responsiveness” is viewed as a cumulative capability, which comprises costs, time, quality, and flexibility (Gaither & Frazier, 2002). In general, customers expect a firm to respond to their requirements appropriately and immediately. Davidow (2014) indicates that timeliness is one of six dimensions of organizational response. Response speed is found to increase customer satisfaction and intention to repurchase (Conlon & Murray, 1996) as well as decrease customer switching behavior (Keavenney, 1995). SRO not only possibly causes customer satisfaction, but also affects acceptance and involvement of customers. In addition, Asree et al. (2010) found that service response positively affects a firm’s revenue. From the aforementioned

arguments on SRO, the fourth hypothesis can be proposed as:

Hypothesis 4: SRO is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advanced customer involvement, and (d) firm performance.

Customer Relationship Awareness (CRA)

CRA refers to a concentrated process of creation and connection maintenance with customers through identifying, attracting, differentiating, and retaining customers (Hassan, Nawaz, Lashari, & Zafard, 2015). A firm with superior customer relationship capability is in a greater position in gathering and storing customer knowledge, which can track customer behavior in order to gain insights into customers’ needs, wants, and preferences as well as determining how to profitably satisfy those needs (Battor & Battor, 2010). This practice eventually leads to increasing profitability (Reinartz, Thomas, & Kumar, 2005), shareholder value, and superior corporate performance (Srivastava, Fahey, & Christensen, 2001). Accordingly, the firm should focus on developing customer relationships, generating customers trust in and commitment to the firm (Luo, Griffith, Liu, & Shi, 2004). Mullins, Ahearne, Lam, Hall, and Boichuk (2014) state that strong relationship perceptions have focused on three elements: commitment, trust, and satisfaction. To increase performance, a firm needs to develop close and trusting relationships with the customers in order to enhance customer perceived value. Consequently, they would tend to increase their acceptance, involvement with the firm,

and satisfaction. From the aforementioned arguments on CRA, the fifth hypothesis can be proposed as:

Hypothesis 5: CRA is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advance customer involvement, and (d) firm performance.

Superior Customer Satisfaction (SCS)

SCS refers to the overall judgment of customers on variance between expected and perceived service performance (Ryan, Buzas, & Ramaswamy, 1995). SCS is deliberated to be the crucial success element for every firm because it leads to superior market share, greater customer retention (Ćockalo, Đorđević, & Sajfert, 2011), lower marketing costs, and increased revenues (Fung, Chen, & Yip, 2007). If a firm can offer excellent service to customers and make them satisfied, they would likely be less price sensitive, less persuaded by rivals, and also stay loyal longer (Dimitriadis, 2006). Moreover, they tend to provide positive feedbacks or viewpoints for optimizing services. In the hospitality and tourism industry, customer satisfaction positively affects the firm's value and profitability, which increases financial performance (Sun & Kim, 2013). From the aforementioned arguments on SCS, the sixth hypothesis can be proposed as:

Hypothesis 6: SCS is positively related to (a) outstanding customer acceptance and (b) firm performance.

Outstanding Customer Acceptance (OCA)

OCA is defined as the viewpoints or feedbacks of customers concerning an admirable service as valuable information

(Limpsurapong & Ussahawanitchakit, 2011). Customer feedbacks generally reflect customer acceptance or rejection of new products or history of service transactions of former buyers. The acceptance of customer on service presented is regularly correlated to the familiarity and the degree of awareness and usage of any given tool (Ahmad, Mansor, & Nadiah, 2012). OCA occurs when customers have a large tendency of using service offered. In other words, customer acceptance could be observed when they are willing to take part in anything associated to the product or service offered (Mansor, Hamid, & Muda, 2011). The customers with high positive experiences and/or feedbacks tend to accept services more easily. They are also likely to involve with firms and possibly lead to firm performance. From the aforementioned arguments on OCA, the seventh hypothesis can be proposed as:

Hypothesis 7: OCA is positively related to (a) advanced customer involvement and (b) firm performance.

Advanced Customer Involvement (ACI)

ACI refers to a large degree of participation between a firm and customers in assorted activities for developing more excellent services (Dadfar, Brege, & Sarah Ebadzadeh Semnani, 2013). The roles of customer involvement are diverse from low to high, depending on the types of services (Lagrosen, 2005). High-involved customers tend to have a positive attitude for maintaining long-term relationships rather than taking a risk by starting a new relationship (Varki & Wong, 2003). Hence, they are likely to think themselves as a part of firm when they interact with employees in different activities such as providing suggestions or feedbacks for

improving of the firm's quality. Customer involvement provides a variety of benefits such as superior and differentiated service, reducing the development time, improving market acceptance, and establishing a long-term relationship (Prahalad & Ramaswamy, 2002). Accordingly, customer involvement probably affects the firm performance. From the aforementioned arguments on ACI, the eighth hypothesis can be proposed as

Hypothesis 8: ACI is positively related to firm performance.

Firm performance.

Firm performance is the assessment of the overall outcome that a firm has achieved. It can be measured using top management's evaluation regarding comparative financial and non-financial outcomes such as rise in profit, sale growth, and market share (Tuntrabundit & Ussahawanitchakit, 2010).

3. Research Methodology

Hotel business is selected because of its nature to always provide the best services to

various customers, and thus possibly focuses on SES (Hariandja et al., 2014). This research focuses specifically on four to five star hotels due to their similarity in the quality standards that include 12 categories and 45 criteria, compared with 9 categories and 33 criteria of three star hotel or lower (Department of Tourism, 2014a; 2014b). Thus, the population in this research is 1,265 four to five star hotels obtained from Tourism Authority of Thailand (2015). The questionnaire was mailed to 1,265 marketing managers/directors of all firms for maximizing the possibility of response rate. A follow-up of each questionnaire was conducted four weeks after by sending postcards to thank the respondents for their collaborations while reminding them of returning the completed questionnaire (Slater & Olson, 2001). As a result, a total of 213 questionnaires were returned. With 208 usable questionnaires, the effective response rate was 17.87 percent, which was acceptable as suggested by Menon, Bharadwaj, Adidam, & Edison (1999).

Table 1 Results of Validity and Reliability Testing

Variables	Factor Loadings	Cronbach's Alpha
Customer Learning Focus (CLF)	0.678 – 0.835	0.798
Service Creativity Concern (SCC)	0.783 – 0.879	0.825
Service Diversity Concentration (SDC)	0.610 – 0.835	0.768
Service Response Orientation (SRO)	0.789 – 0.825	0.813
Customer Relationship Awareness (CRA)	0.739 – 0.812	0.761
Superior Customer Satisfaction (SCS)	0.735 – 0.829	0.791
Outstanding Customer Acceptance (OCA)	0.813 – 0.907	0.843
Advanced Customer Involvement (ACI)	0.812 – 0.925	0.838
Firm Performance (FPE)	0.839 – 0.916	0.909

To verify the non-response bias, the comparisons between respondents and non-respondents were tested using t-test statistics on demographic information of samples such as hotel standard, the number of years a firm has operated in business, and the number of full-time employees, to compare early versus late respondents (Armstrong & Overton, 1977). The result indicated no significant difference between those groups. It is so assumed that these returned questionnaires have no non-response bias problem.

To establish the validity of the questionnaire, all constructs were developed from the relevant literature, and using a Likert five-point interval scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Furthermore, two academic experts reviewed the instrument and adjusted it to be the best possible scale measure. Then, a pre-test was conducted with 30 respondents, and the data were included in the final data analysis. Table 1 shows the range of factor loadings between 0.610-0.916, higher than the 0.4 cut-off score indicating the acceptable construct validity. Additionally, Cronbach's alpha

coefficients are between 0.761-0.909, which surpasses 0.70 as the acceptable cut-off score (Hair, Black, Babin, & Anderson, 2010), and that signifies the internal consistency of the entire scale. Table 3 in Appendix A also illustrates item factor loadings and reliability analyses. To examine the hypotheses, the Ordinary Least Squares (OLS) regression analysis was used.

4. Research Findings

The hypothesis testing results are presented in Table 2. Firstly, it is found that SCC is significantly and positively related to SCS ($\beta_2 = 0.301$, $p < 0.01$) and OCA ($\beta_9 = 0.344$, $p < 0.01$). Thus, H2a and H2b are supported. Secondly, SRO is significantly and positively related to SCS ($\beta_4 = 0.309$, $p < 0.01$), OCA ($\beta_{11} = 0.289$, $p < 0.01$), ACI ($\beta_{21} = 0.372$, $p < 0.01$), and FPE ($\beta_{31} = 0.417$, $p < 0.01$). Thus, H4a-H4d are supported. Next, CRA is significantly and positively associated with SCS ($\beta_5 = 0.258$, $p < 0.01$), OCA ($\beta_{12} = 0.192$, $p < 0.05$), and FPE ($\beta_{32} = 0.189$, $p < 0.05$). Thus, H5a, H5b, and H5d are supported.

Table 2 Results of Regression Analysis

Independent Variables	Dependent Variables						
	SCS		OCA		ACI		FPE
	Eq. 1	Eq. 2	Eq. 3	Eq. 4	Eq. 5	Eq. 6	Eq. 7
CLF (H1a-d)	-.284*** (.083)	-.258*** (.080)		.012 (.086)		-.124 (.087)	
SCC (H2a-d)	.301*** (.089)	.344*** (.086)		.146 (.092)		.122 (.093)	
SDC (H3a-d)	.009 (.081)	.045 (.078)		.058 (.083)		-.011 (.084)	

Table 2 Results of Regression Analysis (continued)

Independent Variables	Dependent Variables						
	SCS	OCA		ACI		FPE	
	Eq. 1	Eq. 2	Eq. 3	Eq. 4	Eq. 5	Eq. 6	Eq. 7
SRO (H4a-d)	.309*** (.095)	.289*** (.092)		.372*** (.099)		.417*** (.100)	
CRA (H5a-d)	.258*** (.083)	.192** (.080)		-.011 (.086)		.189** (.087)	
SCS (H6a-b)			.723*** (.046)				.135** (.067)
OCA (H7a-b)					.583*** (.057)		.519*** (.071)
ACI (H8)							.245*** (.057)
FAG	.210 (.129)	.290** (.124)	.097 (.103)	.190 (.134)	-.083 (.124)	.207 (.135)	-.031 (.099)
FSI	.011 (.125)	.155 (.121)	.228** (.099)	.215 (.130)	.257** (.121)	-.103 (.131)	-.205** (.098)
Adjusted R ²	.350	.398	.568	.304	.374	.287	.600
Maximum VIF	2.890	2.890	1.180	2.890	1.208	2.890	2.637

Note: * p < 0.10, ** p < 0.05, *** p < 0.01

Fourthly, SCS, OCA, and ACI are important for FPE. SCS is significantly and positively associated with OCA ($\beta_{15} = 0.723$, $p < 0.01$) and FPE ($\beta_{35} = 0.135$, $p < 0.01$). Thus, H6a and H6b are supported. Moreover, OCA is significantly and positively related to ACI ($\beta_{25} = 0.583$, $p < 0.01$) and FPE ($\beta_{36} = 0.519$, $p < 0.01$). Thus, H7a and H7b are supported. Sixthly, ACI is significantly and positively related to FPE ($\beta_{37} = 0.245$, $p < 0.01$). Thus, H8 is supported.

On the contrary, some hypotheses are not supported. That is, CLF was found to significantly but negatively relates to SCS ($\beta_1 = -0.284$, $p < 0.01$) and OCA ($\beta_8 = -0.258$, $p < 0.01$). Thus,

H1a and H1b are not supported. Also, CLF is not significantly related to ACI ($\beta_{18} = 0.012$, $p < 0.01$) and FPE ($\beta_{28} = -0.124$, $p < 0.01$). Thus, H1c and H1d are not supported. According to mean scores of SCC (4.379), ACI (3.894), and FPE (3.938), they can be interpreted that firms realize SES, but it has no effect on FPE. Thus, H2c and H2d are not supported. Thirdly, SDC has no significant influence on SCS, OCA, ACI, and FPE. Thus, H3a, H3b, H3c, and H3d are not supported. Finally, in terms of CRA, a result did not show the significance to ACI. Thus, H5c is not supported.

5. Discussion

This research aims at examining how SES influences its consequences on hotel businesses in Thailand. The results of H2a and H2b are consistent with Campeanu-Sonea, Gabor-Supuran, Muresan, and Sonea (2010)'s study. That is, a firm with high level of quality concentrate on creativity will generate creative services from customers' ideas, advices or comments (Gouthier & Schmid, 2003), causing positive SCS and OCA. In terms of SRO, responsiveness was found to be the greatest essential predictor of customer satisfaction (Leong, Hew, Lee, & Ooi, 2015). Du, Lu, Wu, Li, and Li (2013) found that responsiveness positively impacts behavioral intention to use service, and that is a customer's attitude (Saravanakumar & Jayakrishnan, 2014), representing OCA in this research. Puriwat and Tripopsakul (2014) found that customer involvement is positively influenced by SRO. Furthermore, service response was found to be a positive and essential factor that affects the firm's revenue (Asree et al., 2010). These results reveal that SRO is the most essential dimension of SES to yield higher SCS, OCA, ACI, and FPE. Besides, CRA positively enhances customer satisfaction (Hassan et al., 2015), and OCA was expressed via the spreading of positive word of mouth (Reichheld & Teal, 1996) and lower tendency to switch to competitors (Johnson & Selnes, 2004). CRA also increases superior corporate performance and shareholder value (Srivastava et al., 2001). Therefore, SRO, SCC, and CRA are definitely three powerful dimensions that affect an increase of SCS. Additionally, an enhancement of OCA can be done by emphasizing on SCC, SRO, and CRA, since SRO supports a firm to obtain ACI. To

achieve FPE, firms should also underline SRO and CRA.

Satisfaction assists a connection between a certain product or service offered and post-purchasing phenomena such as positive word of mouth, repeated purchasing, and brand loyalty (Dubrovski, 2001), representing OCA. SCS is also found to support financial performance (Chi & Gursoy, 2009; Yu, Jacobs, Salisbury, & Enns, 2013). Moreover, OCA was represented by customer commitment or positive customer's attitude, and customer involvement is positively influenced by customers' attitude and intention in developing a long-term relationship (Ritter & Walter, 2003). Çerri (2012) and Reichheld (2002) found that customer intention in continuing relationship can lead to improvement of firm performance. In terms of ACI, Cheung and To (2011) found that customer involvement positively influences on perceived service performance, especially on customers with a high rather than low level of co-production. High-involved customers tend to have a positive attitude for maintaining long-term relationships rather than taking a risk by starting a new relationship (Varki & Wong, 2003). Briefly, to obtain FPE, a firm should emphasize on OCA, ACI and SCS, respectively.

In contrast, some hypotheses were not supported. Generally, a firm must learn what, when, why, and how customers behave or prefer, especially the high-end customers who prefer fresh, new and creative services (Hanna, 2011). However, the firm may not have enough learning system, which results in obtaining incorrect customer information and hence inaccurate responses, leading to the decrease of SCS and OCA. CLF is also not significantly related to ACI and FPE. ACI involves the

frequency of customer participation in developing as co-creation. Yet, the nature of hotel and the turnover rate of employees maybe the reason for a short-term focus on improvement of learning customer and short-term performance goals (Pandit, 2001).

Besides ACI, creativity, which is the improvement of ideas about practices, procedures, and service (Shalley & Gilson, 2004) often come from customer advices. Hence, a firm with a large number of international customers may desire to decrease communication difficulty with its frontline-employees. As a result, SCC did not affect ACI. Although creativity should produce enhancement in FPE (Klein & Sorra, 1996), SCC was found not to significantly relate to FPE. However, the mean scores of SCC (4.379), ACI (3.894), and FPE (3.938), may signify that the firm realize SES. In this case, the economic crisis that occurred during the period of data collection may affect the findings in that SCC is unrelated to FPE.

Thirdly, the results indicate that SDC has no significant influence on SCS, OCA, ACI, and FPE. It is possible that Thailand's economic crisis (2013-2014) may influence hotel businesses in that the same services have been provided instead of various new services in order to reduce risks and save money. Meanwhile, they may focus on other strategies such as emphasizing service responses to customers. Finally, in terms of CRA, a result was found that CRA does not affect ACI. Due to a large number of foreign customers, the firm may fail to develop communication channels to make longer relationship with them.

6. Implication, Limitation, and Future Research

This research provides two theoretical contributions. First, SCC and SDC are new dimensions developed to cover more facets of the SES. This research adds up to the field for its measurement development and empirical investigation of the constructs, which will be useful for further studies. Second, this research appropriately modifies the measurement of several variables, namely SCS and ACI, which were presently measured as a perception of the executives instead of the customer's perspective. This measurement benefits further research in terms of less complexity and time-saving in data collection. In addition, the findings of this research contribute to practitioners in such the way that a firm can utilize the concept of SES in order to increase FPE. However, in the Thai context, the firm should particularly concentrate on how to respond appropriately and timely service to customers because SRO significantly impacts on all outcomes. Persuasively, the firm with creative and differentiated services would obtain competitive advantages. Hence, it should focus on designing and developing outstanding services, which would gain customer acceptance and then finally increase higher market share or FPE.

This research acquires most of respondents in a diversity of positions such as general manager, sales and marketing director, and sales and reservation manager. This may reduce the quality of the results. However, those respondents are still in the same administrative level (manager) and relevant fields. Thus, it can enhance more result trustworthiness. Future research should consider conducting the

in-depth interview to obtain more understanding of other aspects of SDC and use them as guidelines to prepare a more appropriate questionnaire. Also, other service contexts such as tourism and hospital or those in different countries are needed to be explored to uncover the full range of SES and to assure the finding validity.

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Appendix A

Table 3 Item Factor Loadings and Reliability Analyses in Sample

Constructs	Items	Factor Loadings	Reliability	Constructs	Items	Factor Loadings	Reliability
Customer Learning Focus	CLF1	0.643	0.779	Superior	SCS1	0.81	0.788
	CLF2	0.821		Customer	SCS2	0.785	
	CLF3	0.834		Satisfaction	SCS3	0.828	
	CLF4	0.791			SCS4	0.73	
Service Creativity Concern	SCC1	0.774	0.815	Outstanding	OCA1	0.908	0.839
	SCC2	0.873		Customer	OCA2	0.892	
	SCC3	0.838		Acceptance	OCA3	0.806	
	SCC4	0.742			Advanced	ACI1	0.806
Service Diversity Concentration	SDC1	0.824	0.756	Customer	ACI2	0.875	
	SDC2	0.828		Involvement	ACI3	0.923	
	SDC3	0.781			Firm Performance	FPE1	0.913
	SDC4	0.603		FPE2		0.831	
Service Response Orientation	SRO1	0.792	0.802	FPE3	0.899		
	SRO2	0.815		FPE4	0.907		
	SRO3	0.783					
	SRO4	0.814					
Customer Relationship Awareness	CRA1	0.738	0.745				
	CRA2	0.802					
	CRA3	0.766					
	CRA4	0.722					