

**DYNAMIC SERVICE STRATEGY AND THE ANTECEDENTS  
AND CONSEQUENCES : EVIDENCE FROM  
SPA BUSINESSES IN THAILAND**

**CHATTAWAT LIMPSURAPONG**

**A dissertation submitted in partial fulfillment of the requirements for  
the degree of Doctor of Philosophy in Management  
at Mahasarakham University**

**October 2011**

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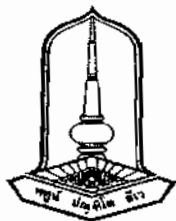
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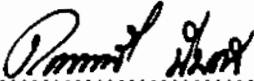
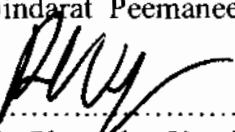

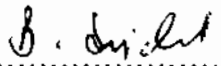

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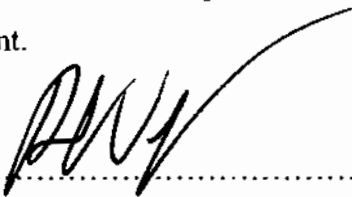


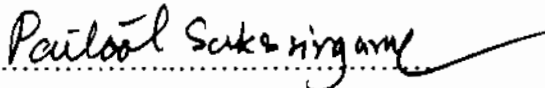
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Chattwat Limpsurapong

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### ABTRACT

The purpose of this research is to examine how dynamic service strategy which includes service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset has an effect on corporate survival through service advantage, service effectiveness, service excellence, customer satisfaction, customer acceptance, and firm performance. In addition, this research tests the impact of four antecedents (goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition) on dynamic service strategy. Furthermore, the moderating role of organizational adaptation capability and corporate flexibility implementation are also investigated. The conceptual model is proposed by drawing on dynamic capability perspective and particularly the competency-based view of strategy making, within the strategic orientation research stream. The model is empirically tested using data collected from mail survey of 184 day-spa businesses located throughout Thailand and using a questionnaire as an instrument. The statistics used for analyzing data were correlation analysis and the multiple regression analysis.

The results indicate partial support for the hypotheses derived from the conceptual model. Analyses of survey provide evidence that dynamic service strategy is consistently and positively associated with three consequences (service advantage, service effectiveness, service excellence) and corporate survival while organizational adaptation capability was not found to be significant moderating effects on this relationship. On the other hand, corporate flexibility implementation was found to be partial significant moderating effects on antecedents-dynamic service strategy. Apart

from that, the results show service advantage, service effectiveness, and service excellence is consistently and positively associated with customer satisfaction and customer acceptance. Customer satisfaction and customer acceptance have a significant positive influence on firm performance and firm performance has a significant positive influence on corporate survival.

The findings uniquely contribute to research on service strategy by providing of clearer understanding of the relationships among dynamic service strategy, consequences, antecedents, firm performance, and corporate survival. Furthermore, the findings can help managers particularly, in spa business to understand how their firms can achieve firm performance and corporate survival over their competitors. However, there is a need to test the theoretical model in other business settings to establish the generalizability of our findings. Moreover, the need for future research is to seek other moderating variables that enhance firm performance and corporate survival, future research should investigate on other service businesses, and should be seeking other moderating variables that enhance the relationship among antecedents of dynamic service strategy, and dynamic service strategy - consequences.

## TABLE OF CONTENTS

Chapter	Page
I INTRODUCTION .....	1
Overview .....	1
Purpose of the Research .....	3
Key Research Questions .....	4
Scope of the Research .....	5
Organization of the Dissertation .....	9
II LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK .....	10
Theoretical Foundation .....	10
Relevant Literature Review and Research Hypotheses .....	14
The Moderating Effects of Dynamic service Strategy .....	55
Summary .....	66
III RESEARCH METHODS .....	76
Sample Selection and Data Collection Procedure .....	76
Measurements .....	80
Research Methods .....	85
Summary .....	91
IV RESULTS AND DISCUSSION .....	99
Respondent Characteristics and Firm Characteristics .....	99
Hypothesis Testing and Results .....	102
Summary .....	132
V CONCLUSION .....	144
Summary of Results .....	144
Theoretical and Managerial Contributions .....	150
Limitations and Future Research Directions .....	152

## CHAPTER I

### INTRODUCTION

#### Overview

The world economic crisis during 2005-2010 has an impact on all businesses worldwide both service and industry business causing many companies to deploy business such as layoff to reduce expenses and responsibility in operation and plan to reconstruct the strategy in order that the corporate can sustain survival. As such, the worldwide effect of technological evaluation, globalization and restructuring market challenges traditional approaches to obtain competitive advantage. The rapid change in the market affects customer satisfaction, technology competition and survival of firms. Thus, firms need to upgrade themselves to ensure survival and achieve firm performance in the future (Danneel, 2002). Then, firms doing business in traditional way are difficult to gain competitive advantage under these situations. Hence, firms need to apply competitive strategies to deal with the changing situations.

The changing environment phenomenon has been studied over the past decade. In the context of dynamic capability, these capabilities for changing resource base of firms are labeled as dynamic capabilities (Teece, Pisano and Schuen, 1997). Dynamic capabilities are conceived as a source of sustainable advantage in Shumpeterian regimes of rapid change (Lee, Lee, and Rho, 2002, p: 734). Helfat and Peteraf (2003, p: 999) described that “Dynamic capabilities do not directly affect output for the firm in which they reside, but indirectly contribute to the output of the firm through an impact on operational capabilities”. Processes to reshape a resource of firm in the method thanked and judged appropriately by principle decision maker called dynamic capabilities (Zahra, Sapienza, and Davidsson, 2006). Dynamic capabilities are given to adjustment of capabilities to transform product and process in the firm (Gabriel and Dusya, 2007). Thus, Gabriel and Dusya, (2007, p: 427) stated that “Dynamic capabilities related a changes process of the firm’ knowledge resource and dynamic capabilities output were new configuration resources”.

Based on the literature review, service strategy refers to the ability of firms to analyze situation and determines direction in doing service strategy through the process of searching customer needs and wants, market demands, and competitor analysis through intention to generate, improve, and develop new process to create service. Service strategy is exactly with the same as the overall business strategy with new service and service design decisions. Thus, service strategy enables management to plan for making available the appropriate resources for specific new service effort. That is, to say the most consistently held prescription for achieve is that the firm's new service strategy must be related to overall firm strategy (Sundbo, 1997).

With the increase in service competition, the generating new services have become more vital in today's turbulent business environment and high competitive advantage in market place. Therefore, service firms need to continually innovate to make an effort for the creation of new ideas and new service. As a result, they are beginning to take the establishment new service much more earnest. Thus, there is a growing body of knowledge on the new service activities of service firms (Johne and Storey, 1998). Service firms pursuing a strategy reliant upon innovation are under constant pressure to generate more effective new service methods, market better use of their resource, and beat their competitors to market with the next great idea (Froenhle and Roth, 2007).

Nowadays, dynamic service research has received increasing academic attention. For firms to survive and succeed in the turbulent and unpredictable environment, dynamic service strategy is assumed to be the most major importance that can be considered as a company-specific competency for enhance firms' competitiveness (Dreyer and Gronhaug, 2004). Dynamic service strategy has become the most important factor in achieving competitive advantage. Mainstream strategy literature already emphasizes the importance of aspect of dynamic service as a precondition for successful business (Tuominen, Rajala and Moller, 2004). This research can conclude that firm's dynamic service strategy is considered as a firm-specific competency which influences subsequently its performance in order to improve its competition. Also, in the light of spa businesses, they should attempt to improve new service that can encourage them to effectively implement their strategies such as service differentiation or service innovation to responding customer needs.

The spa business in Thailand has been experiencing great competition during the past recent years due to increasingly competitor markets. Under these situations, spa businesses not only attempt to establish more adequate service, but also develop strategies of new service to appeal customers. Of course, spa business would like to consolidate their market shares and enhance profitability. To increase customer satisfaction, increase superior performance and corporate survival, it is necessary to generate a new service that supports the delivery of different new service forms to customers. Therefore, this research focuses on spa business in Thailand as a target group. This is because spa business in Thailand can earn a lot of incomes for the country and spa business attempts to create new form to responded to appropriate lifestyle of customer. Thus, being a firm with service performance and survival is influenced by dynamic service strategy process.

Hence, managing director or managing partner of spa business must attempt toward creating the service advantage, service excellence, and service effectiveness into firm performance and corporate survival. In addition, there are many factors that dynamic service strategy including goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition. These factors can make dynamic service strategy occur. The research toward dynamic service strategy has been mainly regulated.

As mentioned before, most researches conduct the impact of dynamic service strategy, service outcome, and corporate survival. Further, this study examines data from spa businesses in Thailand. Managing director or managing partner of spa business is chosen as a key informant. The results of the study will be identified in dimensions of dynamic service strategy and explain the effect factors on dynamic service strategy to corporate survival relationship. The result will be benefited to academic research and managerial practices.

### **Purposes of the Research**

The purposes of this research are as follows:

1. To investigate the influence of dynamic service strategy

(service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset) on service advantage, service effectiveness, service excellence, and corporate survival,

2. To test the impact of service advantage and service effectiveness on service excellence,

3. To examine the impact of service advantage, service effectiveness, and service excellence on customer satisfaction and customer acceptance,

4. To test the impact of customer satisfaction on customer acceptance,

5. To examine the impact of customer satisfaction and customer acceptance on firm performance,

6. To examine the impact of firm performance on corporate survival,

7. To examine the impact of dynamic service strategy on service advantage, service effectiveness, and service excellence via moderating effect of organizational adaptation capability,

8. To examine the impact of dynamic service strategy on corporate survival via moderating effect of organizational adaptation capability,

9. To investigate the effect of antecedents (goal achievement focus, valuable employee competency, intelligent customer learning and complex business competition) on dimensions of dynamic service strategy, and

10. To examine the impact of goal achievement focus, valuable employee competency, intelligence customer learning and complex business competition on dynamic service strategy via moderating effect of corporate flexibility implementation.

### **Key Research Questions**

The key research question of this research is how dynamic service strategy affects corporate survival. In addition, the specific research questions are as follows:

1. How does dynamic service strategy have an effect on service advantage, service effectiveness, service excellence, and corporate survival?,

2. How do service advantage and service effectiveness have an effect on service excellence?,

3. How do service advantage, service effectiveness, and service excellence have an effect on customer satisfaction and customer acceptance?,
4. How does customer satisfaction have an effect on customer acceptance?,
5. How do customer satisfaction and customer acceptance have an effect on firm performance?,
6. How does firm performance have an effect on corporate survival?,
7. How does dynamic service strategy have an effect on service advantage, service effectiveness, and service excellence via moderating effect of organizational adaptation capability?,
8. How does dynamic service strategy have an effect on corporate survival via moderating effect of organizational adaptation capability?,
9. How do the four antecedents (goal achievement focus, valuable employee competency, intelligent customer learning and complex business competition) have an effect on dimension of dynamic service strategy?, and
10. How do goal achievement focus, valuable employee competency, intelligence customer learning and complex business competition have an effect on dynamic service strategy via moderating effect of corporate flexibility implementation?.

### **Scope of the Research**

This research attempts to investigate theoretical model of the relationships of dynamic service strategy on corporate survival through service advantage, service excellence, service effectiveness, customer satisfaction, customer acceptance and firm performance are consequences of dynamic service strategy and organizational adaptation capability as a moderating determination. Additionally, goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition are antecedents of dynamic service strategy via the moderating effects of corporate flexibility implementation.

With respect to the research objectives and research questions, there are many variables proposed in the research. Dynamic service strategy is an independent variable and refers to an ability of firms to analyze situations and determines directions in doing new service strategy through the process of searching for customer need and want,

market demand, competitor analysis and intent to develop or generate new process to create services.

Dynamic service strategy includes five dimensions listed as follows: service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset and is hypothesized to be positively associated with service advantage, service effectiveness, service excellence, and corporate survival. The first dimension, service innovation generation, is defined as an ability of firm to search for sources and methods in generating the innovation of new service continuously in order to respond to customer's need and can achieve competitive advantage. The second, service research and development orientation, refers to organization's ability to focus on research and development to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. The third, continuous service improvement, is defined as the ability of organizations to improve services to meet the needs of consumers and to create survival and growth of the business. The fourth is proactive service enhancement the extent to which ability of the firm that uses improving services for forward-looking, opportunity-seeking and first mover is faster than competitors and response customer need and want. Lastly, transformational service mindset refers to long term, quasi-irreversible determinant of firm behavior for response to the uncertainty environment which reflects the operation mindset in market perspective.

Corporate survival which is a dependent variable of the research refers to firm's ability to manage in uncertain competitive environment during a period of time (Persson, 2004). Survival of a firm is described as stability, sustainable economic growth and long-term business (Schwartz, 2009).

Service advantage, service effectiveness, service excellence, customer satisfaction, customer acceptance and firm performance are hypothesized to positively mediate dynamic service strategy and corporate survival relationships. Firstly, service advantage refers to a certain service's predominance providing customers' superior than competitors' benefits. These benefits are quality, features, the capability to satisfy consumer needs and consumers acceptance. Thus, service advantage concerns with separate quality, value, uniqueness, and must be fulfilled. Secondly, service

effectiveness refers to organizational level of service that will bring success overall market share, profitability, customer satisfaction, customer acceptance and growth of the organization. Thirdly, service excellence is defined as the service features greatness, best, and superiority than the competition and beyond expectations of the customer. Thus, service excellence concerns with efficiency, and characteristics. Likewise, both service advantage, service effectiveness, and service excellence consist of VRIN (value, rare, inimitable and non-substitutable) attributes of RBV. Fourthly, customer satisfaction is defined as perceived levels of customer service recognized as valuable emotional than the price paid when compared to times past. Fifthly, customer acceptance refers to customers' feedback and customer's point of view to provide valuable product, service and information. Lastly, firm performance refers to the focus on firm's reputation for developing new service, added value for customers, maintain and motivate old customers and create a means of attracting new customer. The output measures consider the firm's perception about the outcome of firm that as achievement to goal in terms of market share, sale growth, acquiring new customer, and increasing acceptance sales to existing customers.

To complete the research of dynamic service strategy, goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition are hypothesized to become antecedents of dynamic service strategy and it tends to have a positive impact on dynamic service strategy. Goal achievement focus is defined as the firm that directs their followers towards achieving organizational purposes by articulating the organization's mission, vision, strategy to their goals. Valuable employee competency refers to the ability of employee about customer predictions, searching the information of occurrence / or behavioral to used of service, need and want of customers by conducting market research, awareness of customer complaint through improved communication system inter- organization that can create new service strategy. It is personal characteristics, aptitudes, skill, and knowledge that need to perform at the workplace. Intelligent customer learning refers to the ability of organization to know about service that customer accustomed to using or experiencing of service in the past by focusing on learning process through information that the customers receive from their friends hearsay, purchase, use, and word-of-mouth and the data of competitor for improving and developing new service create high customer

satisfaction in service. The last antecedent, complex business competition, is defined as the heterogeneity, diversity, uncertainty, instability of business competition components. It is the scope to extend which market diversity.

Furthermore, corporate flexibility implementation and organizational adaptation capability are the moderators of this research. Corporate flexibility implementation is hypothesized to positively moderate the relationships among goal achievement focus, valuable employee competency, intelligent customer learning, complex business competition, and dynamic service strategy relationships. Corporate flexibility implementation refers to organizations use organization's ability to change both economically and effectively given a certain capacity in order to response change environment. Organizational adaptation capability is hypothesized to positively moderate the dynamic service strategy, service advantage, service effectiveness, service excellence, and corporate survival relationships and refers to the specific capability of the firm to adjust and response successfully to environmental change.

The data was collected by questionnaire survey from spa businesses in Thailand. The population of this research is all of complete addresses and shows the company registration of all spa businesses in Thailand totally 1,020 day spa businesses from the database of the Department of Business Development and Thai Spa Association based on information searched on 12/3/2011. The spa business is chosen because this business offered the potential to simultaneously examine five dimensions of dynamic service strategy. The spa business contexts now are more complex, various customers and competitors expand into global. Therefore, spa business must improve or create their services in many ways in order to meet customer need together with adapting themselves to follow the rapid change of customers' demands.

The relationships among variables in the framework are explained by two theories including dynamic capabilities approach and competency-based view theory. Dynamic capabilities approach is implemented to explain the ability of firms which can respond to change that occur in its internal and external environment and would be enable to competitive advantage and would lead to greater performance in long term. The competency-based view theory supports the idea of positional and performance superiority being a consequence of relative superiority in the skills and resources a business deploys. In this context, each is thoroughly elaborated in the next chapter.

## **Organization of the Dissertation**

This research is organized in five chapters. Chapter one provides an overview of the research, purposes of the research, research questions, scope of the research and organization of the research. Chapter two reviews the relevant literature, explains the theoretical framework to describe the conceptual model, and develops the related hypotheses for testing. Chapter three discusses the research methods, including population selection and data collection procedure, the variable measurements of each construct, the instrumental verification, the statistics and equations to test the hypotheses, and the table of summary of definitions and operational variables of constructs. Chapter four demonstrates the empirical results and discussion. The last, Chapter five details the conclusion, theoretical and practical contributions, limitations, and suggestions for future research directions.

## **CHAPTER II**

### **LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**

This research provides empirical evidence as firm's strategy which dynamic service becomes a powerful resource to create competitive advantage. This research intends to examine the framework to understanding dynamic service strategy in altering perspective of dynamic capability and competency-based view theory to gain more understanding of the phenomenon. This chapter provides literature review and conceptual framework. Furthermore, it is divided into three sections. Section 1 provides theoretical foundation dynamic capability and competency-based view theory. Section 2 deals with literature review of dynamic service strategy. Section 3 presents the conceptualization and hypotheses of dynamic service strategy which are used to formalize theoretical relationships among the constructs.

#### **Theoretical Foundations**

Regarded as the context of research and conceptual model, this research elaborates dynamic capability and competency-based view theory in the following.

##### Dynamic capabilities

Dynamic capabilities has been paid more attention in strategic management. Because dynamic capabilities fulfills resource-based view of the firm and embeds in organizational process (Eisenhardt and Martin, 2000). That is, the resource-based view creates competitive advantage from asymmetry of resources which have four characteristics including valuable, rare, not imitable or substitutable. Additionally, creating hurdles imitates implement sustaining. Some researchers on the dynamic capabilities are providing resource-based view to dynamic markets (Helfat and Petteraf, 2003). The concept of dynamic capability has been extended to consider as the unique ability of firms to integrate, build, and reconfigure internal and external competences to address rapidly changing environment (Teece, Pisano and Shuen, 1997). Similarly, Wang and Ahmed (2007) define dynamic capabilities as a firm's behavior constantly to

integrate, reconfigure, renew and recreate its resources and capabilities and, most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage. In addition, dynamic capabilities involve the organizational processes by which resources are utilized to create growth and adaptation within changing environments (Lado and others, 2006).

From this perspective, firms must adapt, integrate and reconfigure their resource and competencies continuously in response to changing environment condition (Zhou and Li, 2010). Dynamic capability enables firms to reconfigure capability in response to both exogenous environment event and endogenous organizational pressure (Lavie, 2006). These scholars proposed that the mere survival of suitable bundles of specific resources is inadequate to sustain competitive advantage in condition involving volatile and unpredictable market change (Teece, Pisano, and Shuen, 1997; Eisenhardt and Martin, 2000).

Therefore, these scholars argue that dynamic capabilities or ability is a complex process to identify a continuous movement over time for response to change in business environment that occurs quickly at any time (Teece, Pisano, and Shuen, 1997; Eisenhardt and Martin, 2000; Zollo and Winter, 2002; Teece, 2007). Dynamic capabilities are mentioned in an organization's modes of reaction in a rapidly changing environment. An organization's knowledge acquisition is utilized that the firm considers improving dynamic capabilities and increased business value (Helfat, 1997).

Additionally, good administration of the integrative learning mechanisms constructs competitive advantage (Eisenhardt and Martin, 2000; Madhok and Osegowitsch, 2000). Building dynamic capability requires internal process and efforts rather than acquisitions from market transactions. They are the most unique and difficult to imitate assets that firm can use to achieve and sustain competitive advantage (Griffith and Harvey, 2001). In summary, firms must have both dynamic capabilities and resources and capabilities to generate a competitive advantage (Ray, Barney and Muhanna, 2004). In this research, dynamic capability is applied to explain ability of firms to adapt in changing environment. Dynamic service strategy is assumed as firms adapt existing competency continuously through utilizing firm specific resources in response to the dynamic environments that change over time. Firms can develop their competency continuously to create and renew specific capability and competency that

lead to business success including operational achievement, corporate innovation and value creation then achieve their great performance and firm survival.

This research uses dynamic capabilities to explain the relationships among antecedents, dynamic service strategy, firm outcomes, corporate survival, corporate flexibility implementation, and organizational adaptation capability. Thereby, dynamic service strategy as one of firm's capability can integrate, build, renew and reconfigure the core competencies in rapid environment. For firm outcomes, this research proposes service advantage, service excellence, service effectiveness, customer satisfaction, customer acceptance, and firm performance which are explained by dynamic capabilities in terms of operational capability. For three antecedents, this research proposes goal achievement focus, valuable employee competency, and intelligent customer learning, which are explained by dynamic capabilities in terms of organizational capability and complex business competition which are explained by dynamic capabilities in terms of the external factors has affected on performance and survival. However, for two moderators, this research proposes corporate flexibility implementation and organizational adaptation capability which are explained by dynamic capabilities in term of organizational capability.

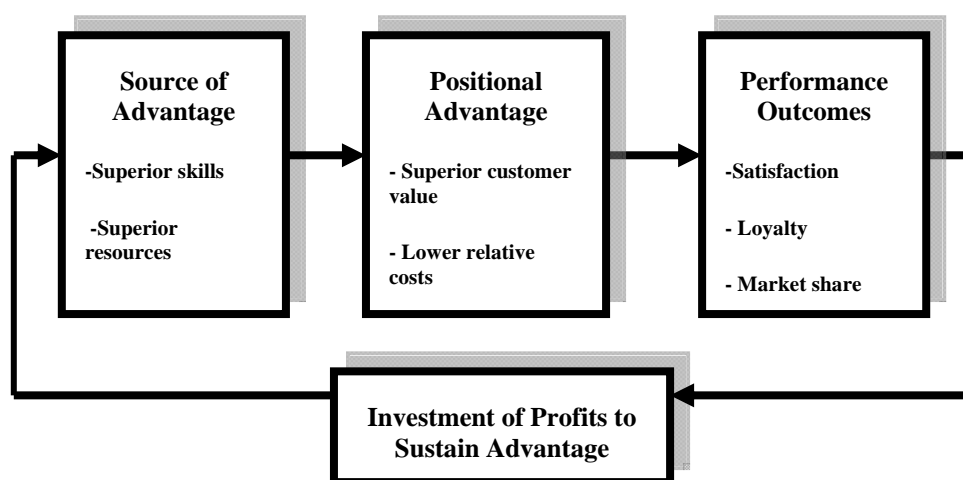
### The Competency-Based View

The competency-based view theory traces to the works of Clark and Maurice (1961), and Alderson (1957, 1965) and has been extended by such researchers as Aaker and Mascarenhas (1984); Barney (1991); Bharadwaj, Varadarajan, and Fahy (1993); Day (1994); Day and Wensley (1988); Porter (1990) and Hunt and Morgan (1997). The research of this view is that firms are able to achieve superior performance when they are able to develop or gain superior skills and resources that enable the firm to achieve a position of competitive advantage and survival. For competitive advantage theorists, skills encompass "the distinctive capabilities of personnel that set them apart from the personnel of competing firms" while superior resources are "more tangible requirements for advantage that enables a firm to exercise its capabilities" (Day and Wensley, 1988, pp. 2-3).

The focus of firms, according to competency-based view, should be on the value creating activities or value chain (Porter, 1990) or resource-advantage (Hunt and

Morgan, 1997). Firms that are successful in managing their value chain are posited to achieve positions of competitive advantage which are viewed as either cost leadership or value advantages (Bharadwaj, Varadarajan, and Fahy, 1993). Competency-based view suggests that successful firms generate competitive advantage, superior performance, and survival.

Figure 1: The Elements of Competitive Advantage



Source: Day and Wensley, 1988, page 3

Day and Wensley (1988) suggested a simple integrated view based on positional and performance superiority being a consequence of relative superiority in the skills and resources a business deploys. These skills and resources reflect the pattern of past investments to enhance competitive position. The sustainability of this positional advantage requires that the business set up barriers that make imitation difficult. Because these barriers to imitation are continually eroding, firms must continue investing to sustain or improve the advantage (Day and Wensley, 1988). Thus, the creation and survival of a competitive advantage are the outcomes of a long- run feed back or cyclical process and so called “SPP Model” as shown in Figure 1.

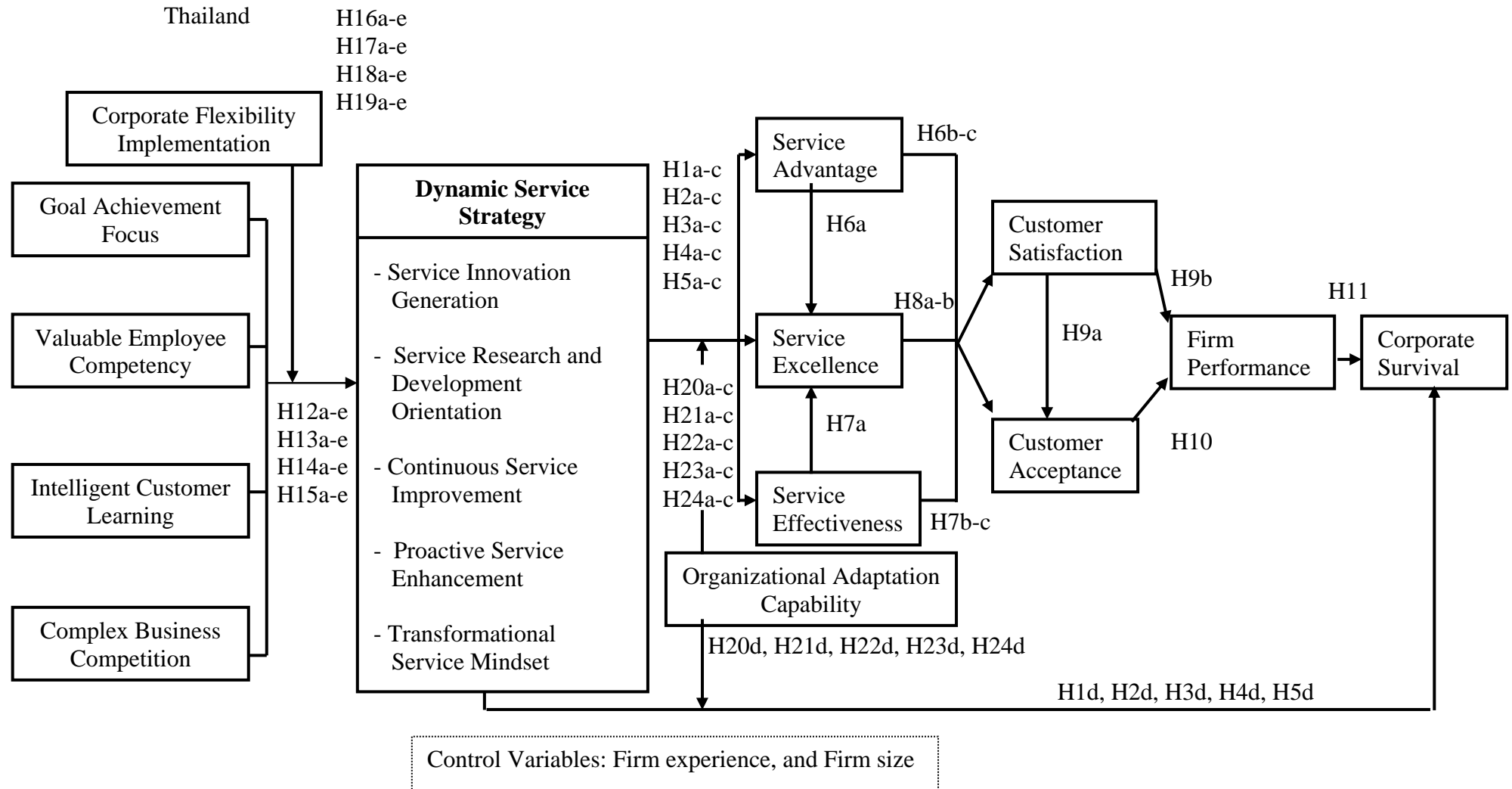
This research is based on this simple, sequential determinism of the source, position and performance framework (SPP). Each of the primary elements of the framework is described as shown in Figure 2. There are two sources of advantage which

are argued to be key contributors to competitive advantage and corporate survival: dynamic service strategy and its three drivers (goal achievement focus, valuable employee competency, and intelligent customer learning). Consequences of dynamic service strategy are positional advantages which lead to corporate survival. There are two sources of advantage which are argued to be key contributors to competitive advantage and corporate survival: dynamic service strategy and its three drivers (goal achievement focus, valuable employee competency, and intelligent customer learning). Consequences of dynamic service strategy are positional advantages which lead to corporate survival.

### **Relevant Literature Review and Research Hypotheses**

Relevant literature is developed for the conceptual framework as shown in Figure 2 on the basis of extant research. The framework shown in Figure 2 below depicts the impact of antecedents and consequences of dynamic service strategy via moderating effect of corporate flexibility implementation and organizational adaptation capability.

Figure 2: Conceptual Model of Dynamic Service Strategy and the Antecedents and Consequences: Evidence from Spa Businesses in



### Service

Service can be best defined as an activity of series of activities of more or less intangible nature that normally, but not necessarily, takes place in interaction between the customer and service employee, and/or physical resource or good and/or system of service providers, which are provided as solutions to customer problem (Gronroos, 1999). The characteristics of service help to understand how they are different from products and what might entail for the process of innovation (Sundbo, 1997). Therefore, this contribution argues that the organization of the innovation process for service follows from the characteristic of services. For that reason, it is useful to differentiate the characteristics of service concisely at this point (Gadrey, Gallouj and Weinstein, 1995; De Brentani, 1989). Services are intangible, co-produced between firm customer, perishable, and experienced or heterogeneous. In the review of dynamic service literature, the focus is on several service characteristics that make services different from product. Products (goods) are said to be tangible because they are primarily material, having volume, weight, and other observable attributes. Service to be opposite is characterized by intangibility (Clark, Rajarratnam and Smith, 1996). Intangibility is defined as the nonmaterial aspects of service, including atmosphere, ideas, performance, attitude, etc. Intangibility is generally regarded as service attribute (Bateson, 1979). In addition, service cannot be stored like physical products. Gronroos (1999) points out that the services differ from physical products in many ways. John and Storey (1998) argue that there are three characteristics of services which include: intangibility, heterogeneity, and simultaneity that make service different from tangible product. According to Zeithaml, Parasuraman and Leonard (1993), categorization will be expanded to include information intensity in this research. Intangibility is the most widely cited difference between tangible products or goods and service (Lovelock and Gummesson, 2004), and described as the source from which all other differences emerge (Bateson, 1979). Services are essentially intangible which are often not possible to taste, feel, see, hear or smell service before they are purchased (Cowell, 1988). Intangibility refers to the fact that no physical object is exchanged in service encounter. To include, services are distinguished between physical intangibility, the fact that something cannot be touched and mental intangibility, that something cannot be grasped or understood (Bateson, 1979). These two aspects differentiate service from tangible

products because buyer cannot hold or touch a service upon buying it. Services are also harder to understand because there is no tangible evidence to relate to services.

Heterogeneity makes a service different from each time it is the product, and in different quality, because humans are involved in the delivery process. This is the case in labor intensive services. The service delivery process is an interaction between the supplier and the customer and they both contribute to making the service heterogenic. The service could not be rendered the same way from the supplier's side each time, and the interaction with the customer may also affect the outcome. In addition, performance varies less in machine intensive service than in human intensive ones (Rathmell, 1974). Perishability is the one of characteristics derived from intangibility (Bateson, 1979). It means that the service does not last, and as a result, it cannot be stored. When the full capability of a service is unused, this opportunity for business is lost, that makes stress occur about the time aspect related to perishability (Fitzsimmons and Fitzsimmons, 2004). Inseparability or simultaneity in services refers to the fact that production and consumption of a service happen simultaneously. Inseparability promotes the customer role in the production and terms as co-production, customer to employee and customer to customer interaction become essential. Services cannot often be separated from the person of the seller. A corollary of this is that creating or performing the service could occur at the same time as full or partial consumption of it (Cowell, 1988). Goods are purchased, sold and consumed whereas services are sold and then produced and consumed. The inseparability of the creation and performance of certain kind of services applied particularly to some personal services (for example, dental or medical treatment; professional service (Cowell, 1988). Thus, the literature review starts with a discussion of differences between service and product innovation. In addition, service sector has been explored to a limited extent so far in new product development literature because the innovation has traditionally been associated only with tangible products (De Brentani, 1995) Thus, it is hard to generalize tangible product development theories across service sectors because many characteristics of service are different from goods (Johne and Storey, 1998; Fitzsimmons and Fitzsimmons, 2004). Especially services tend to be intangible, heterogeneous, simultaneously produced and consumed, and perishable.

### Service Concept

The service concept indicates a key role in service design and development. The service concept is defined as the how and what of service design, and helps mediate between customer needs and organization's strategic intent (Goldstein and others, 2002). The research proposes that the service concept can be the key driver of service design decisions at all levels of planning which defines the service concept and describes how it can be used to enhance a variety of service design process and applies the service concept to service design planning and service recovery design process. The service concept has been defined as the way in which the organization would like to have its services perceived by its customers, employee, shareholders and leaders (Heskett, 1986). Other than that, service concept is defined as a detailed description of the customer needs to be satisfied, how they are to be satisfied, what is to be done for the customers, and how this is to be achieved (Edvardsson and others, 2000). Moreover, Johnston and Clark (2001) define the service concept as: 1) service operation: the way in which the service is delivered; 2) service experience: the customer's direct experience of the service; 3) service outcomes: the benefits and results of the service for the customer; and 4) value of the service: the benefits the customer perceives as inherent in the service weighed against the cost of service. Based on the literature, this research emphasizes on dynamic service strategy which it can help firm increase superior performance and can make corporate survival in all situations. In the review of literature, there have been several addressing related ideas about how service organizations design new service offering from either the customer's requirement or the delivery organization's viewpoint. Therefore, many firms attempt to develop or generate new service for response to customer's need and want which, new service is the overall process of developing or generating new service offerings (Johnson and others, 2002) and is concerned with the complete set stage from idea to launch (Cooper and others, 1994). Hence, new service is generated from new service concept to be discussed below.

### Strategy

Strategy refers to the rule or practice in organizational operation that achieves organization's objective and a suitable internal and external environment of firm. Core belief of the classical strategic management as organization must sustain a proper

alignment with their institutional and industrial environments (Chandler, 1962; Porter, 1985). Therefore, organizations embedded in the environments have to allow future uncertainty and find modes of dealing with uncertainty, and the need to be more adaptive and survive (Ma and others, 2008). Furthermore, strategy is one of means for the firm to deal with modification in the situation of business (Hart and Banbury, 1994). The strategy of the firm is the mode and the power given by top management team to the firm's overall vision and trend (Leskovar-Spacapan and Bastic, 2007). The speed of strategic determination making is a major capability for organizations to successfully struggle in high-rapidity environment (Ma and others, 2008). Additionally, strategy is the way of the firm which attempts to transform the aim into the firm's capability to create gain of external chances (O'Regan and Ghobadian, 2004). The managers want to generate competitive advantage by leveraging the resources of the firm which strategic management is responsible for identifying, sustaining and building core capabilities. So, a firm is able to adapt and to shape its environment. Strategy is the general framework for decisions about innovation and change (Sundbo, 2001). Previous study found that innovation is one of the primary means by which an organization can achieve sustainable growth (McEvily, Eisenhard and Prescott, 2004). Similar to dynamic service context, strategy is the way to achieve firm performance and corporate survival. On the other hand, there is the need for additional theoretical integration to link dynamic service strategy with firm performance. Corporate survival through to consider strategic orientation is an important action parameter and the general framework for decisions about dynamic service strategy through antecedent and consequence of dynamic service strategy. Thus, strategy refers to the ability of firms to analyze situations and determines directions in doing business. Strategy is one type of capabilities of firms (Das and Teng, 2000; Grant, 1991). As a unique approach, firms tend to practice in different ways. In addition, firms attempt to find different strategies in order to competing market and achieve competitive advantage. Previous researches indicate that strategy has significant effects on performance (Aulakh, Preet, and Kotabe, 1997; Kotey, Bernice, and Meredith, 1997). Therefore, this study focuses on dynamic service strategy that may increase firm performance and bring to corporate survival efficiently.

In the review of literature, the relationship between service strategy and various outcome variables can be traced back to many stream of research. Researchers have linked inclusive levels of service strategy many aspects such as retail store performance (Merlo and others, 2006), service performance (Wu and others, 2008; Liang, Tseng, and Lee, 2010), unit effectiveness (Ployhart, Weekley, and Ramsey, 2009), consumer loyalty (Liang, Tseng, and Lee 2010), and new service development performance (Jaw, Lo, and Lin, 2010). Following is the summary of definitions, literature review and empirical studies of service strategy presented in Tables 1, 2 and 3 below.

Table 1: The summary of definitions for service strategy

Scholars	Definitions of service strategy
Hogan, Hogan, and Busch, (1984)	The disposition to be helpful, thoughtful, considerate, and cooperative
Dotson and Patton, (1992)	A communication capability, a pattern of differentiation, a strategy that offers a range of service for most customers, and which can effectively boost the points of differentiation of a business
Lee and others., (1999)	A strategic response to market information which is designed to implement the marketing concept within the overall framework of customer oriented services
Zeithaml and Bitner, (2000)	An idea can even lead to some fundamental change aimed at better satisfaction of certain segment consumer.
Menor and Roth, (2007)	The role of development or generation within the overall business strategy which integrates the overall business strategy with the new service/products strategy and service design/delivery decisions
Mansury and Love, (2008)	Activities directed at creating changes or transformations of form, place or time of availability in some entities
Ployhart, Weekley, and Ramsey, (2009)	A unit's aggregate, collective willingness and ability to deliver high quality service
Liang, Tseng, and Lee, (2010)	A set of attitudes and behaviors affecting the quality of interaction between an organization's employees and its customers

Table 2: Summary of Key Literature Review of Dynamic Service Strategy

<b>Authors</b>	<b>Types of study</b>	<b>Key issue examined</b>	<b>Results of the study</b>
Carraher and others, (1998)	Quantitative	This research was to test whether or not a biodata inventory could also be used to measure the service orientation construct by 464 customers.	The correlation of this scale with service orientation was as high or higher and service orientation may effectively be measured by biodata.
Stevens and Dimitriadis, (2004)	Qualitative	This research examines organizational learning on new service development process. This research was comparative longitudinal case study. This research have been selected two different sectors were retailing and banking.	Organizational learning provide managers with insights for facilitating learning during the new service development process.
Merlo and others, (2006)	Quantitative	This research introduces retail stores to achieve superior performance in both customer service orientation and store creativity. This research is tested on 112 stores.	Customer service orientation and store creativity have an effect on superior performance.

Table 2: Summary of Key Literature Review of Dynamic Service Strategy (Continued)

<b>Authors</b>	<b>Types of study</b>	<b>Key issue examined</b>	<b>Results of the study</b>
Wu and others, (2008)	Quantitative	This research investigates the comprehensive structure of service orientation and consumer identification from two perspectives. This research is tested on 247 employees and consumers of 17 financial companies in Taiwan.	Service orientation has a positive effect on consumer perception of service performance.
Ployhart, Weekley, and Ramsey, (2009)	Quantitative	This research examines the service orientation of frontline retail service associates nested within stores from a single, large, retail organization over period of three quarters.	This research found a positive relationship between service orientation and effectiveness.

Table 2: Summary of Key Literature Review of Dynamic Service Strategy (Continued)

<b>Authors</b>	<b>Types of study</b>	<b>Key issue examined</b>	<b>Results of the study</b>
Ordanini, and Maglio, (2009)	Quantitative	This research analyzes the effect of market orientation and customer orientation on new service development. This research was tested on Italian hotel.	This research found that successful new service development can be achieved through two sets of decisions.
Teng and Barrow, (2009)	Quantitative	This research aims to review and summarize previous research between 1980 and 2008 on primary relationship between service orientation and other construct.	Service orientation should be considered in light of its potential impact on performance outcome and the service orientation of new employees and the design of comprehensive employee training program should be implemented to keep pace with the changes in consumer demands.

Table 2: Summary of Key Literature Review of Dynamic Service Strategy (Continued)

<b>Authors</b>	<b>Types of study</b>	<b>Key issue examined</b>	<b>Results of the study</b>
Drejeris and Zinkeviciute, (2010)	conceptual	This research proposes a model for one stage of development of a new service – concept feasibility assessment and designing of a service system and every idea can be developed by several concepts.	This research explains the order of designing a service system.
Liang, Tseng, and Lee, (2010)	Quantitative	This research analyzes the effect of a company's service orientation and service performance and eventually customer loyalty.	Service orientation positively affects service performance but negative affects customer loyalty.
Jaw, Lo, and Lin, (2010)	Quantitative	This research analyzes the effect of service characteristic, market orientation, and efforts in innovation together drive new service development performance.	Service characteristic and market orientation positively influence a firm's resources and reward in innovation. Efforts in innovation and market orientation positively impact new service development performance.

Table 3: Summary of key Empirical Studies on Dynamic Service Strategy

Authors	Independent Variables	Dependent Variables	Main Findings
Merlo and others, (2006)	Customer service orientation, Retail store creativity	Retail store performance	The research found that customer service orientation has an effect on performance but retail store creativity has not effect on performance.
Wu and others, (2008)	Service orientation <ul style="list-style-type: none"> <li>- Intensive service assertion</li> <li>- Active service assertion</li> </ul>	Service performance	The research found that service orientation has a positively effect on service performance.
Ployhart, Weekley, and Ramsey, (2009)	Unit service orientation	Unit effectiveness <ul style="list-style-type: none"> <li>- Store sales</li> <li>- Adjusted controllable profit</li> <li>- Sales per employee</li> </ul>	The research found that unit service orientation has a positive effect on unit effectiveness.
Liang, Tseng, and Lee, (2010)	Service orientation	Service performance	The research found that service orientation positively influences service performance.

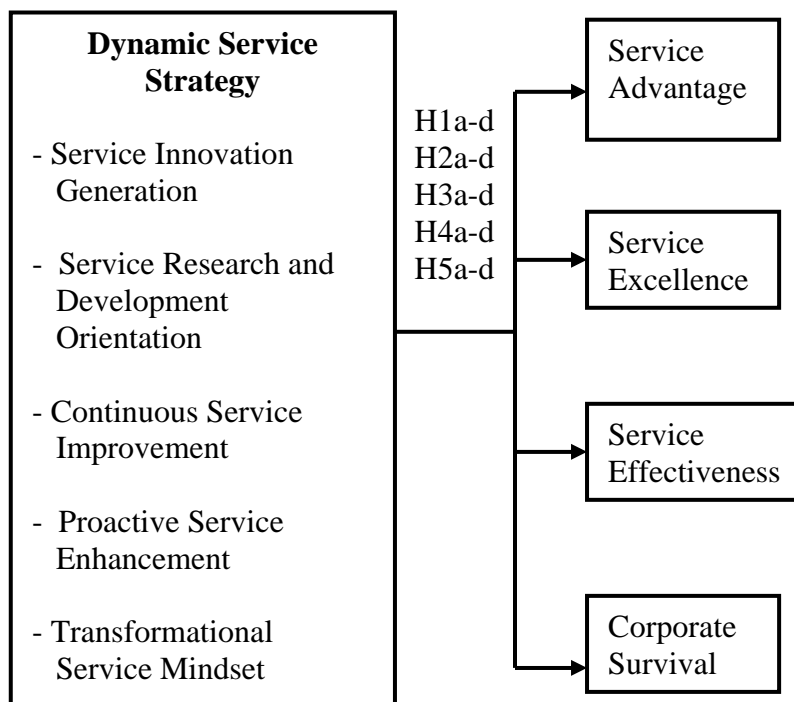
Table 3: Summary of key Empirical Studies on Dynamic Service Strategy (Continued)

Authors	Independent Variables	Dependent Variables	Main Findings
Jaw, Lo, and Lin, (2010)	Service orientation, Market orientation	New service development performance	The research found that service orientation and market orientation have a positive effect on new service development performance.

Dynamic Service Strategy and the Antecedents and Consequences: Evidence from Spa Businesses in Thailand

The first part in this research is to investigate the influence of dynamic service strategy on service advantage, service effectiveness, service excellence, and corporate survival in the context of spa businesses in Thailand. This is presented in Figure 3 as below:

Figure 3: Effects of Dynamic Service Strategy on Service Advantage, Service Effectiveness, Service Excellence, and Corporate Survival



Dynamic Service Strategy

This research defines dynamic service strategy as an ability of firms to analyze situations and determines directions in doing new service strategy through the process of searching for customer needs and wants, market demands, competitor analysis and intent to develop or generate new process to create services. Service orientation is

defined as the role of development or generation within the overall business strategy which integrates the overall business strategy with the new service/products strategy and service design/delivery decisions (Menor and Roth, 2007). Dynamic service strategy is exactly the same as the overall business strategy with new services/products and service design/delivery decisions. That is, to say the most consistently held prescription for development or generation success is that the firm's new product or new service strategy must be related to the overall business strategy (Giffin, 1997; Sundbo, 1997).

This research attempts to extend contents of dynamic service strategy with the new dimensions in dynamic view perspective. The characteristics of dynamic service strategy are composed of five dimensions including service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset as discussed hereafter.

#### Service Innovation Generation

The first dimension of dynamic service strategies is associated with the service innovation generation that is crucial to strategy in building new service. Therefore, this research defines the service innovation generation as the ability of firm to search for sources and methods in generating the innovation of new service continuously in order to respond to customer's need and can achieve competitive advantage. A business at present environments has been changing rapidly and tends to be more complex. The firm is necessary to adapt and respond to the environmental changes. So, the firm needs to have the capability to generate innovation or creativity at all time in order to gain competitive advantage (Masseti, 1996). Innovation is a concept central to economic growth and can be a source of sustained competitive advantage to firms (Schumpeter, 1934; Tushman and others., 1997). A better understanding of innovation can contribute to the practice of management (Leifer and others., 2000). Innovation is defined as the development and uses of new ideas or behaviors in organizations. A new idea could be a new product, service or method of production (technical innovation) or a new market, organizational structure or administrative system (Damanpour and Wischnevsky, 2006). The generation of innovation results in an outcome—a product, service, or technology

that is at least new to an organizational population (Angle and Van de Ven, 2000). The generation of innovation is intended to contribute to the organization's effectiveness and competitiveness by creating a new opportunity or by making use of an existing opportunity in novel ways (Drucker, 1985). For instance, Roberts (1988) and Afuah (2003) define innovation as the development of an idea or invention and its conversion to a useful application. The innovation-generating organizations are those that introduce products, services, or technologies that are new to the market (Dougherty and Hardy, 1996; Hitt and others, 1996).

Increasing the degree of novelty of innovation is important because it improves competitive advantages and creates opportunities for firms to access new markets (Lynn and others., 1996; McDermott and Handfield, 2000; McDermott and O'Connor, 2002).

Propensity for innovation influences the level of innovativeness of the new products and services developed. Thus, the level of innovativeness is anticipated to positively affect company performance (Avlonitis, Papastathopoulou, and Gounaris, 2001; De Brentani, 2001; Griffin, 1997). Radical new products and services involve new superior solutions to current and future customer needs and may help to redefine competitive rules and thus improve a company's competitive position and performance (Nijssen and others, 2006).

In prior research, innovation generation is defined as the key process of service strategy that concerns with searching to source of new service generation (Alam, 1998). The generating service innovation is achieved through both internal and external sources of the firm. The internal sources of the firm concern about the research and development, new service committee, and marketing function (Li and Calantone, 1998; Thomke, 2003). The external sources of the firm involve the competitive firm, customer driven, and government department. However, the firm has to be able to help generate innovation, namely, searching for ideas from several sources such as employees, managers, customers, suppliers, and consultants (Nijssen, Hillebrand and Vermeulen, 2005). Likewise, the firm can use several techniques to generate innovation includes brainstorming, suggestion systems, surveys, and special task forces (Michaels, 1989). Furthermore, firm should be aware of how crucial the service innovation generation is that is a key strategy in developing of new service to respond to the market's requirement and to the new opportunities of business (Massetti, 1996; Alam, 1998). As

mentioned above, this research integrates the innovation generation acquired from several sources in order to correspond with the context in this research. Previous researches suggested that innovation orientation can enable the firm to gain competitive advantage. Thus, we expect that the service innovation generation should be strategic of firm. Indeed, strategy will have to contain effectiveness on market in customer satisfaction, effective multi-functional integrated project team, and a common team goal to encourage efficiency of process and project (Corea and others, 1998). Thus, firm capability will be developed and achieve competitive advantage and corporate survival. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 1a: The higher the service innovation generation is, the more likely that firm will gain greater service advantage.***

***Hypothesis 1b: The higher the service innovation generation is, the more likely that firm will gain greater service effectiveness.***

***Hypothesis 1c: The higher the service innovation generation is, the more likely that firm will gain greater service excellence.***

***Hypothesis 1d: The higher the service innovation generation is, the more likely that firm will gain greater corporate survival.***

#### Service Research and Development Orientation

Service research and development orientation refers to organization's ability to focus on research and development to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. Scholars accept the definition of research and development put forth by the Organization for Economic Co- operation and Development (OECD, 1997, 2008): research and development (R&D) comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. In this research, development definition covers three activities: basic research, applied research, and experimental development. Some scholars further

categorize research and development into two groups: product research and development and process research and development. Product research and development allows firms to produce better products, while process research and development reduces the marginal cost of production (Lin and Saggi, 2002; Egeraats, 2007). A marketing scientist was the first to suggest that service firms need a research and development system in which feasibility studies, audits of internal service capabilities, and market ability studies can be sequentially executed (Konrad, 1968). Researchers presented these research and development efforts as solutions for the lack of genuine marketing innovation in the service industry.

However, it has been only a decade since public organizations and academics in economically advanced countries began to shed light on the benefits of service research and development. For the Expert Group on Innovation in Services (2007), a research group of the European Union reported that the presence of research and development capability in a service firm results in service innovation; researchers are increasingly recognizing the benefit of this service innovation for business performance. However, Miles (2007) explained that in service firms, service research and development and research and development like activities are difficult to identify, and research and development is not always organized as formally as in manufacturing companies.

Neither the concept nor the concrete activities associated with, research nor development is familiar to employees in service firms; therefore, these employees have not prioritized research and development expenditures. In addition, services have unique characteristics such as intangibility and inseparability (Lovelock, 1983; Bostrom, 1995; Sasser, 1976). Intangibility means that services lack physical existence or form and cannot be seen, smelled, touched, tasted, or stored. Inseparability means services can only be provided by interactions between a consumer and a service provider. These characteristics make defining and evaluating the outcomes of service research and development difficult (Chiesa and Masella, 1996).

Djellal and others, (2003) observed that a service is a set of actions carried out by the service provider for the benefit of the customer and often with the latter's participation, and the provision of a service can be considered by a combination of various processing or problem-solving operations or functions. The authors claimed that the current definition of research and development focuses on research and development

activities for manufacturing, and proposed to edit some phrases in order to better include the service industry. Thomke (2003) illustrated a successful example of service research and development: the case of Bank of America. The firm launched a research and development project in which a new service model was developed through the collaboration of customers and project members. The Bank of America case illustrates how a service firm can reflect customer needs via new service development. Nixon (1998) examined the research and development performance measurement of a machinery company and concluded that the measures are driven by customer needs, are quantitative and objective, are balanced between financial and non-financial metrics, and support the collaboration needed for a multi-disciplinary team approach to new product development. Li and Calantone, (1998); Thomke (2003) explained the higher firm's research and development intensity the more innovation new product or service. Therefore, service research and development orientation is likely to have a positive effect on service advantage, service effectiveness, service excellence and corporate survival. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 2a: The higher the service research and development orientation is, the more likely that firm will gain greater service advantage.***

***Hypothesis 2b: The higher the service research and development orientation is, the more likely that firm will gain greater service effectiveness.***

***Hypothesis 2c: The higher the service research and development orientation is, the more likely that firm will gain greater service excellence.***

***Hypothesis 2d: The higher the service research and development orientation is, the more likely that firm will gain greater corporate survival.***

#### Continuous Service Improvement

Continuous service improvement refers to the ability of organizations to improve services to meet the needs of consumers and to create survival and growth of the business. Continuous improvement (CI) is an ongoing activity aimed at raising the

level of organization-wide performance through focused incremental changes in processes (Bessant and Caffyn, 1997; Wu and Chen, 2006). Continuous improvement refers to a combined approach to management that focuses on customer satisfaction and consists of everyone in organization in the improvement of all work process (Heaps and others, 1999). It is a principle that certifies continuous learning, decreases of waste in work process and experimentation with find of new product or service that above expect of customer (Chiles and Choi, 2000). A continuous improvement demonstrates a mindset adopted by all persons involved in. Continuous improvement aims at continuously changing for the better while the developed solutions should have sustainable effect. Thus, it is related to product, process or service quality (Imai and Kaizen, 1986). The continuous improvement concept is driven by the Deming Cycle (Evans and Lindsay, 1999) and the Kaizen concept (Imai, 1986). This is a methodology for continuous improvement, composed of four stages: Plan, Do, Check, and Act. The idea of continuous improvement traces back to the Japanese Kaizen concept that aims at consistently changing things or processes for the better (Imai and Kaizen, 1986). Thereby, the basic idea of Kaizen is the increase of productivity by a stepwise continuous improvement. Continuous improvement as a synonym for Kaizen concentrates on the processes necessary for either the production of a product or the delivery of a service. The outcomes of the Kaizen Strategy are improvements in quality, cost, and delivery. The underlying principle of the Kaizen strategy is the recognition that management must seek to satisfy the customer and serve customer needs if it is to stay in business and make a profit.

Based on the definition of some experts, the goals of continuous improvement can be summarized as (1) a company-wide focus to improve process performance (Deming, 1986; Imai, 1986); (2) a gradual improvement through step by step innovation (Caffyn, 1999; Berling, 2000; Brunet and New, 2003); (3) organizational activities with the involvement of all people in the company from top managers to workers (Imai, 1986; Bessant and Caffyn, 1997); (4) creating a learning and growing environment (Pervaiz, Loh, and Zairi, 1999; Delbridge and Barton, 2002). Continuous improvement played an important role under the concept of ‘great creation’, but many companies, especially those that did not perform continuous improvement successfully or those that were forced to undertake continuous improvement activities, started wondering whether

they should throw away this kind of approach and, instead, seek a new one (Wu and Chen, 2006). Continuous improvement has emerged as a dominant theme for survival and growth in today's fiercely competitive business environment. Therefore, we assume that the continuous service improvement as a strategy to create the new service makes it a competitive advantage and corporate survival. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 3a: The higher the continuous service improvement is, the more likely that firm will gain greater service advantage.***

***Hypothesis 3b: The higher the continuous service improvement is, the more likely that firm will gain greater service effectiveness.***

***Hypothesis 3c: The higher the continuous service improvement is, the more likely that firm will gain greater service excellence.***

***Hypothesis 3d: The higher the continuous service improvement is, the more likely that firm will gain greater corporate survival.***

#### Proactive Service Enhancement

Proactive service enhancement refers to ability of the firm that uses improving services for forward-looking, opportunity-seeking and first mover is faster than competitors and response customer need and want. Proactiveness refers to the stands for opportunity-seeking, forward-looking perspective. Proactive firm involves introducing new product or service, fulfillment in market and act in anticipation of future demand by experimenting with change and exploiting appearing opportunities. It creates the change and the first mover advantage-seeking attempts to form environment (Kropp and Zolin, 2005). Lumpkin and Dess (2001) explained that proactiveness refers to responses and approaches to market opportunity by first mover action. It aids firm outcomes and obtain advantages by being the first to capitalize on new opportunities (Lee and Peterson, 2000). Thus, firms with stronger proactiveness are likely to gain success. They tend to change in competitive market and take more advantages reward and

benefit by the market. For service enhancement, Chen, WU, and WU (2006) explained it has become one of the key components of customer service. Service enhancement is defined as the management of customer relation was developed as a way of prioritizing improvement (Chen, WU, and WU, 2006). Chen, WU, and WU (2006) stated that service enhancement involved service attributes identified as leveragability strength, high priority improvement, low priority improvement, and maintain of customer relations. Chen, WU, and WU (2006) examine service enhancement on firm performance in Taiwan Semiconductor Manufacturing Company. The results showed that service enhancement is positively influenced on competitive advantage and firm performance. Moreover, the result of the empirical research showed the service enhancement is influenced on firm performance (Talke, 2007). Therefore, proactive service enhancement is likely to have a positive influence on service advantage, service effectiveness, service excellence and corporate survival. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 4a: The higher the proactive service enhancement is, the more likely that firm will gain greater service advantage.***

***Hypothesis 4b: The higher the proactive service enhancement is, the more likely that firm will gain greater service effectiveness.***

***Hypothesis 4c: The higher the proactive service enhancement is, the more likely that firm will gain greater service excellence.***

***Hypothesis 4d: The higher the proactive service enhancement is, the more likely that firm will gain greater corporate survival.***

#### Transformational Service Mindset

Transformational service mindset refers to organization's ability to build credibility to succeed in the long-term change in the concept of service model. Changes in firm structure, the instability of market demand, and the probability of environmental shocks (e.g., economic crises, privatization, and disruptive technologies) are all

important elements producing firms to transform their strategy for response to these uncertainty environments (Hitt, Ireland, and Hoskisson, 1997). The transformational mindset is understood as long term, quasi-irreversible determinant of firm behavior.

Drawing on the resource-based view and findings from cognitive psychology on character traits, this study presents the transformational service mindset as an inherent element of a firm's disposition towards innovating activities which reflect the service mindset in market perspective (by the relative speed of new service introductions, service market-opportunity-seeking behavior and proactive service life-cycle management) (Venkatraman, 1989; Morgan and Strong, 2003).

From the resource-based perspective, firms are heterogeneous with respect to their resource and capability endowments (Wernerfelt, 1984). Resource differences of firms competing within the same industry are explaining performance differences to a great extent (Jacobsen, 1988; Hansen and Wernerfelt, 1989; Rumelt, 1991; McGahan and Porter, 1997). According to strategic orientation, it is because of the concentration on a different strategy on goal setting, resource allocation and planning activities. This research aims to analyze the impact of the service mindset on new service and corporate survival.

New service through transformational service with creativity is an important factor in the success and competitive advantage of organizations (Woodman, Sawyer and Griffin, 1993). Thus, firms with high transformational service mindset tend to attain greater service advantage, service effectiveness, service excellence, and corporate survival. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 5a: The higher the transformational service mindset is, the more likely that firm will gain greater service advantage.***

***Hypothesis 5b: The higher the transformational service mindset is, the more likely that firm will gain greater service effectiveness.***

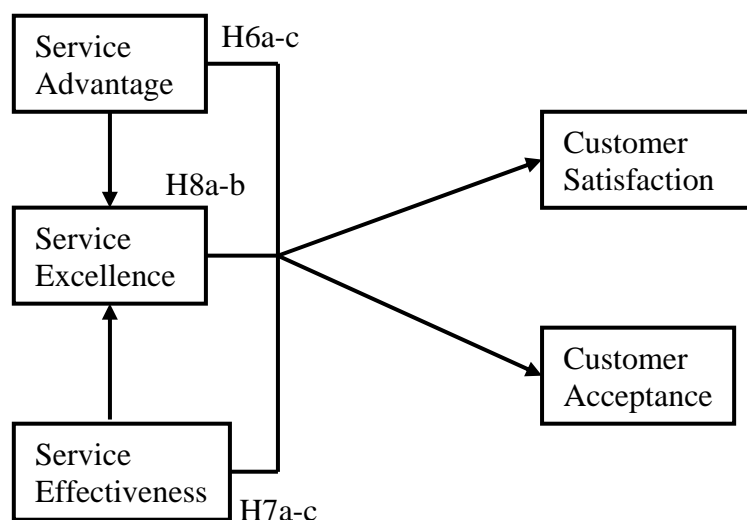
***Hypothesis 5c: The higher the transformational service mindset is, the more likely that firm will gain greater service excellence.***

***Hypothesis 5d: The higher the transformational service mindset is, the more likely that firm will gain greater corporate survival.***

### **Consequence Variables of Dynamic Service Strategy**

The second part attempts to examine the impact of service advantage, service effectiveness, and service excellence on customer satisfaction and customer acceptance as presented in Figure 4 below:

Figure 4: Effects of Service Advantage, Service Effectiveness, and Service Excellence on Customer Satisfaction and Customer Acceptance



#### Service Advantage

This research defines service advantage as a certain service's predominance providing customers' superior than competitors' benefits. These benefits are quality, features, and the capability to satisfy consumer needs and consumers acceptance. A positional advantage held by a firm should be rewarded with market share and/or profitability exceeding competitors. The reasoning is customers perceive that the firm offers greater value in its products and services, and consequently shifts purchases away from rivals. Therefore, in relation to innovation efforts, when advantages are built into

new products, the products should be better received in the marketplace (Nakata and others, 2006). Product advantage is one of the most cited predictors of firm performance (Bonner and Walker, 2004; Cooper and others, 1994; Kaleka, 2002; Langerak and others, 2004; Nakata and others, 2006; Song and Parry, 1997). Bastic (2004) discovers that product advantage is associated with permitting customers to perform new tasks, meeting customer needs, and providing unique features for the customer. Gatignon and Xuereb (1997) and Olson, Walker, and Ruekert (1995) define product advantage as the superiority which certain products have over competitors' products. Next, Calantone and DiBenedetto (1988) and Langerak and others (2004) describe product advantage as a certain product's predominance in providing customers with benefits superior to the benefits that customers get from a competitors' new product. Similarly, the researchers conducted a study of chemical businesses in four North American and European countries, and isolated superior quality, value, uniqueness, and need fulfillment as the strongest predictors of new product or service success (Cooper and Kleinschmidt, 1993). Thus, firms with high service advantage tend to attain greater service excellence, customer satisfaction, and customer acceptance. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 6a: The higher the service advantage is, the more likely that firm will gain greater service excellence.***

***Hypothesis 6b: The higher the service advantage is, the more likely that firm will gain greater customer satisfaction.***

***Hypothesis 6c: The higher the service advantage is, the more likely that firm will gain greater customer acceptance.***

#### Service Effectiveness

Service effectiveness refers to organizational level of service that will bring success overall market share, profitability, customer satisfaction, customer acceptance and growth of the organization. Research organizational effectiveness is defined as the degree to which an organization perceives that its goals will bring the overall success, market share, profitability, customer satisfaction, and growth rate of the organization

(Daft, 1995). Organizational effectiveness is what the organization comes to know what explains its performance (Argote and Ingram, 2000). Daft (1995) explained that organizational effectiveness is the degree to which a firm realizes its goals. Kang and others (2005) tested cooperation effectiveness has a positive effect on trust and the result found that effectiveness that has a positively effect on trust. Effective services have been found to contribute directly or indirectly to an increase in various performances (Panayides, 2007).

Service effectiveness will have an influence on the performance of an organization. This is because a service effectiveness that keeps its clients satisfied with its ability to solve problems, keep accurate records, deliver services on time and communicate effectively can increase customer satisfaction (Leuthesser and Kohli, 1995) and loyalty which has been viewed as a proxy for market share (Innis and La Londe, 1994). In fact, high customer satisfaction has been linked to improvements in a firm's economic returns, including market share and profitability (Anderson, Fornell, and Lehmann, 1994; Crosby, Evans, and Cowles, 1990). Daugherty, Stank, and Ellinger, (1998) and Stank, Goldsby, Vickery, and Savitskie (2003) explained that service effectiveness would mean availability, reliability, speed of service and an impact on customer satisfaction, customer loyalty and market share. Ryan and Schuerman (2004) explained that effectiveness of the service is the relationship between characteristics of services to the satisfaction of the outcomes, which is a form of storage customers. Moreover, Panayides (2007) examines that logistic service effectiveness on firm performance. The result showed that availability, reliability, and speed of service have a positively effect on firm performance. Therefore, service effectiveness is likely to have a positive influence on service excellence, customer satisfaction and customer acceptance. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 7a: The higher the service effectiveness is, the more likely that firm will gain greater service excellence.***

***Hypothesis 7b: The higher the service effectiveness is, the more likely that firm will gain greater customer satisfaction.***

***Hypothesis 7c: The higher the service effectiveness is, the more likely that firm will gain greater customer acceptance.***

#### Service Excellence

Service excellence refers to the service features greatness, best, and superiority than the competition and beyond expectations of the customer. In the context of business excellence is the overall way of working that balances stakeholder concerns and increases the probability of long-term success as a business through operational, customer-related, financial and marketplace performance excellence (Edgeman and others, in press). Within the firms, studied business excellence is perceived as being a measure of “how good we are” and a means by which “business can move forward”. Business excellence is considered to be a long-term process, concerned with key strategic issues such as developing core functional processes, to be the best, to get people performing better, and to develop a quality framework in order to provide excellent customer service. The end product of business excellence is to instill best practice within an organization in order to support its values and strategic objectives, meet stakeholders’ expectations, and maintain and exceed its competitive position (Ritchie and Dale, 2000).

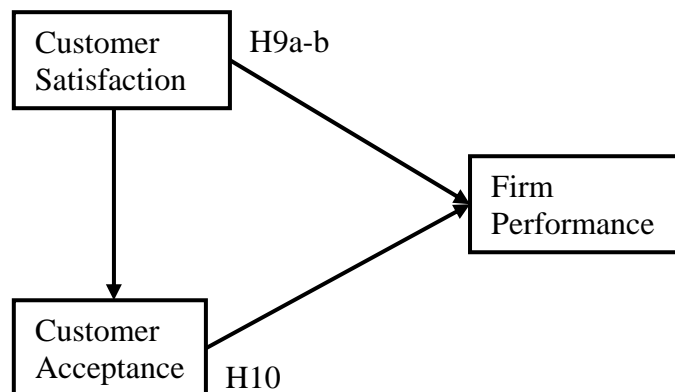
In the prior research, Wiertz and others (2004) explore service quality, partnership quality, image quality that have an effect on service excellence and service excellence has an effect on behavioral intentions. The results showed that service excellence has a positively influence on satisfaction and trust. Thus, firms with high service excellence tend to attain greater customer satisfaction and customer acceptance. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 8a: The higher the service excellence is, the more likely that firm will gain greater customer satisfaction.***

***Hypothesis 8b: The higher the service excellence is, the more likely that firm will gain greater customer acceptance.***

The third part attempts to examine the impact of customer satisfaction and customer acceptance on firm performance as presented in Figure 5 below:

Figure 5: Effects of Customer Satisfaction and Customer Acceptance on Firm Performance



#### Customer satisfaction

Customer satisfaction which refers to the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience (Oliver, 1981), is often considered as an important determinant of repurchase intention (Liao, Palvia, and Chen, 2009) and customer loyalty (Eggert and Ulaga, 2002). Gunderson and others (1996) define customer satisfaction as, “a guest's post consumption judgment of a product or service that can, in turn, be measured by assessing guest's evaluation of a performance on specific attributes”. Customer satisfaction means the “emotional reaction of consumers to the gap between the expected service and the actually perceived service”. Customer satisfaction is different from perceived service quality. Service quality is the customers' attitude or global judgment of a company's service over time. Service quality has been defined as how well a customer's needs are met, and how well the service delivered meets the customer's expectations (Lewis and Booms, 1983). Customer satisfaction is central to the marketing concept, with evidence of strategic links between satisfaction and overall service performance (Truch, 2006), and is an important theoretical and practical issue for most marketers and consumer researchers

(Goode, 2001). It is a key issue for all those organizations that wish to create and keep a competitive advantage in this highly competitive world (Fronseca, 2009). Customer satisfaction which remains in the limelight (Bartikowski and Llosa, 2004), especially in the service field, is typically defined as an overall assessment of the performance of various attributes that constitute a service.

The last decades have spawned a number of studies on customer satisfaction. A key motivation for the growing emphasis on customer satisfaction is that highly satisfied customers can lead to a stronger competitive position resulting in higher market share and profit (Fornell, 1992). Customer satisfaction is also generally assumed to be a significant determinant of repeat sales, positive word-of-mouth, and customer loyalty (Bearden, and Teel, 1983; Fornell and others, 1996). As a result, there is increasing attention between academics and business practitioners to customer satisfaction as a corporate goal (e.g. Bolton and Drew, 1991; Crosby, 1991; Oliva and others, 1992). Most researches as on customer satisfaction have focused on satisfaction with consumer goods and services (Oliver, 1996), thus using the individual consumer as the unit of analysis (Cadotte and others., 1987; Tse and Wilton, 1988; Spreng and others, 1996).

If a service provider can satisfy the needs of the customer better than its competitors, it is easier to create loyalty (Oliver, 1997). Fornell (1992) stated that high customer loyalty is mainly caused by high customer satisfaction. Clarke (2001) proposed that effective satisfaction must be able to create loyalty amongst customers. Previous studies have demonstrated that customer satisfaction positively affects customer loyalty (Choi and others, 2008) or negatively affects switching intention (Walsh, Dinnie, and Wiedmann, 2006). Therefore, customer satisfaction is likely to have a positive influence on customer acceptance and firm performance. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 9a: The higher the customer satisfaction is, the more likely that firm will gain greater customer acceptance.***

***Hypothesis 9b: The higher the customer satisfaction is, the more likely that firm will gain greater firm performance.***

### Customer Acceptance

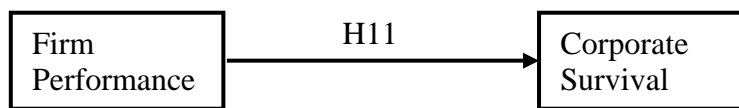
Customer acceptance is defined as customers' feedback and customer's point of view to provide valuable product, service and information. The customer acceptance refers to perspective response to a number of experiences including product or service, information search, ordering, payment, customer service interactions, delivery, post-purchase problem resolution, and satisfaction with one's purchases (Bettman and Park, 1980; Foxall, 2003). On the other side, it means the overall customer perceptions of the excellence and effectiveness of product and/or service offered through its virtual store. Like some suggestions from Bettman and Park (1980) and Foxall (2003), customers learn about goods and services to a large extent by the development of experiences from trial and error. Customer experience is a major determinant of consumer choice and preferences.

The customer feedback reflects the history of transactions related to new products or new service on their acceptance or rejection by previous buyers, greatly shapes market reputation and customer. Some other studies showed that favorable customer feedback can translate into advantageous reputation and affect customer acceptance. Previous customer feedback greatly shapes market reputation and affects potential customers' purchase decisions. That research extends this line of the study to newly introduced service and examines their customer acceptance. Additionally, when people treat customer feedback as a signal of unobserved quality, customers are to be more reluctant to purchase service with less favorable feedback, even if all services are claimed to possess the same quality and the same price (Eastlick and Feinberg, 1999). Therefore, customer acceptance is likely to have a positive influence on firm performance. Taking all into account, this research formulates the hypothesis as below:

***Hypothesis 10: The higher the customer acceptance is, the more likely that firm will gain greater firm performance.***

The fourth part attempts to examine the effect of firm performance on corporate survival as presented in Figure 6 below:

Figure 6: Effects of Firm Performance on Corporate Survival



### Firm Performance

This research views firm performance as the focus on firm's reputation for developing new service, added value for customers, maintain and motivate old customers and create a means of attracting new customer. Marketing literature provides the evidence that a firm's strategic orientation is as a market-driven company (Day, 1990) which is a significant indicator of performance, which includes management's perception of success of new products (Cooper, 1994; Slater and Narver, 1994). It is possible that the strategic orientation of the firm leads to, at least in part, superior performance because of the innovations that are brought to market. In the light of service firm, the question of why some service organizations are able to achieve superior performance continues to gain attention from academics and practitioners. There are two key aspects to this question which include: (1) what are the sources of advantage that are essential in achieving superior performance in service organizations?; and (2) how are these sources of advantage converted into superior performance? Consequently, firms must attempt to find the way that helps them to achieve superior performance by being able to design a better product of service deliver to customer. Unfortunately, there is a limited choice of strategic frameworks through which to understand the mechanism by which sources of advantage contribution to superior performance, reflecting the lack of strategic emphasis in much service industry research (Fisk, Brown and Bitner, 1993). Thus, this research attempts to examine the roles of dynamic service strategy that affects service advantage, service effectiveness, service excellence, and bring to customer satisfaction, customer acceptance and bring to firm performance and corporate survival. Previous studies found that the role of service orientation is contributing to firm survival (Varadarajan and Jayachandran, 1999; Brown and Eisenhard, 1995 and Verona, 1999). Other than that, a service orientation is an important activity that helps enterprise to survive and make continuous improvement (Liu, Chen and Tsai, 2005), and found that the service innovation level has direct

relation to performance (Kotabe, 1990), such, higher the service innovation level is regarded as the better performance. Moreover, John and Storey (1998) found that service firms that are successful at developing new service over time tend to have clear strategy for their new services. The measurement of service strategy should dictate the performance by focusing on firm survival which is more appropriate for more innovative strategies; measures that capture development efficiency will be more appropriate for less innovation firms (Griffin and Page, 1996). Some service firms may treat financial criteria inappropriate as a tool measuring service performance. Service firms would employ measure in their evaluation of new service success to a greater extent than tangible product firm based on their greater experience in measuring elements (Storey and Kelly, 2001). Thus, firms with high performance tend to attain greater corporate survival. Taking all into account, this research formulates the hypothesis as below:

***Hypothesis 11: The higher the firm performance is, the more likely that firm will gain greater corporate survival.***

#### Corporate Survival

Corporate survival refers to the increasing high income from operating, obtaining the high profit from investment, having high progress from good service sale, and being able to maintain market share. The survival path of recently formed companies is essential to management theory. Since the original theory of the survival of the firm in Penrose (1959), where managerial resources played a pivotal role, several factors have been suggested as affecting survival (Davila, Foster and Gupta, 2003). Firm survival of small organizations depends on many internal and external factors. External factors have an influence on the organization such as environmental carrying capacity or market forces (Singh and Lamsden, 1990) and some factors are internal organization including, capabilities, culture, or strategy that have been addressed from the resource-based view of the firm (Wernerfelt, 1984; Teece, Pisano and Shuen, 1997; Zahra, Ireland and Hitt, 2000). Prior research has investigated additional resource endowments relevant to explain firm survival that are unique to entrepreneurial firms (Shane and Venkataraman, 2000).

Since Shumpeter (1991), sustained and comparatively faster innovation activity has often been considered to be a strong effect on firm survival (Del Monte and Papagni, 2003).

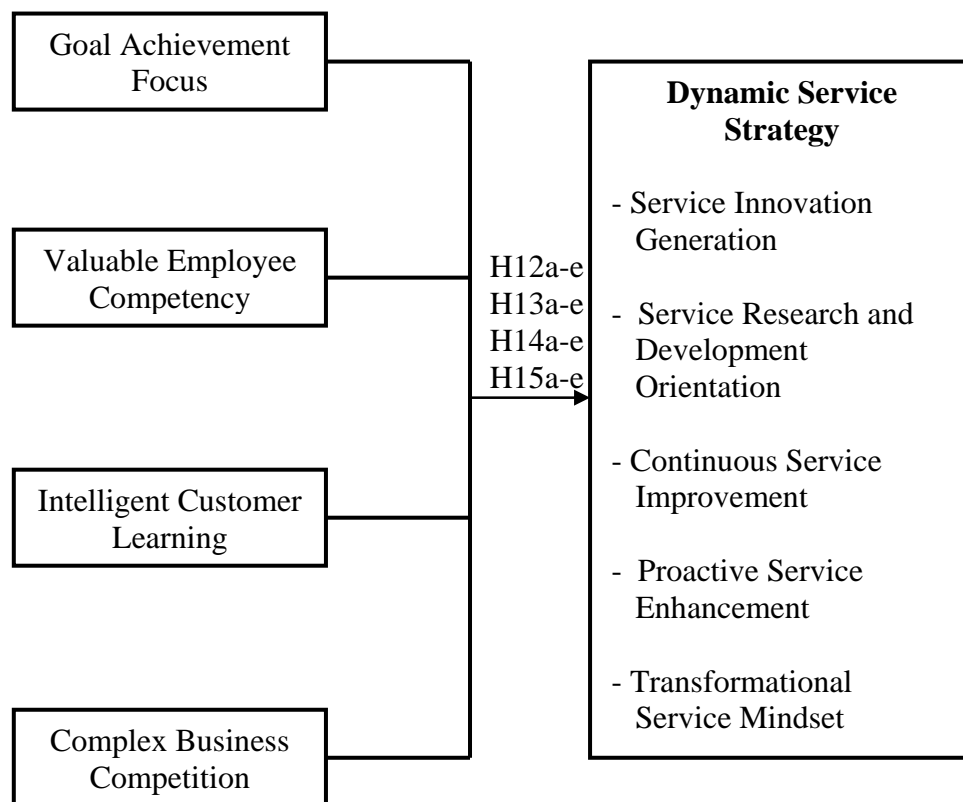
More recently, however, the replication, or exploitation of an innovative business model has also become an increasingly salient driver of corporate survival. Indeed, the successful geographic replication of business model is the fundamental form of survival strategy for a diverse and increasingly large set of organizations that survive through the creation and operation of large number of similar outlets that deliver a product or perform a service (Szulanski and Jensen, 2008). These replicator organizations that focus on survival through exploitation rather than continuous innovation are emerging in many sectors as a dominant economic phenomenon of time. In addition, competitive environment success of an organization is a function of industry attractiveness, its relative position in the industry, and the strategy it undertakes to remain ahead of others (Porter, 1991). The core competence gives an organization competitive capability and remains central to its strategy (Hamel and Prahalad, 2002). Storey (1994) developed a theoretical framework and explained that survival of small organization was a result of combination of initial resources, firm and strategy. Some researchers combine external and internal variables supports survival of organization including Murry (1984) and Hrebiniak and Joyce (1995). Survival orientated organizations also influenced the external conditions through strategy to make them favorable (Liao, Welsch and Stocia, 2003). Therefore, this research assumes that firm that obtains high service performance can bring corporate survival.

### **Antecedent Variables of Dynamic Service Strategy**

#### Effects of Antecedent Variables on Dynamic Service Strategy

The Fifth part attempts to investigate the effect of antecedents on dimension of dynamic service strategy as presented in Figure 7 below:

Figure 7: Effects of Antecedents on Dimension of Dynamic Service Strategy



### Goal Achievement Focus

Goal achievement focus is defined as firms direct their followers towards achieving organizational purposes by articulating the organization's mission, vision, strategy to their goals (Zaccaro and Klimoski, 2001). Organizational goal is a challenging statement which contains strategic ideals that can lead to effective strategy implementation (Hunt, 2004; Hunt and Morgan, 1996, 1997). The resource-advantage theory views strategic goals as resource that facilitates a firm to outperform other rivals and yield marketplace positions of competitive advantage in the competitive process (Hunt, 2004; Hunt and Morgan, 1996, 1997). Therefore, the strategic goals are resource-based drivers of transformational firms' strategies which determine the organizational capabilities on which it will compete in the marketplace (Koste and Malholtra, 2000). Leaders at all levels have to be responsible for the dissemination of strategic organizational goals, as well as for convincing their constituents to effectively implement those goals. Organizational leaders direct the followers towards achieving

organizational purposes by articulating the organization's mission, vision, strategy, and goals (Zaccaro and Klimoski, 2001). Strategic organizational goals are setting and implementing by top leaders. They can be used as strategic organizational goals to help their firm begin aligning and integrating internal operations (Snow and Hambrick, 1980). There must also be alignment created at subsequent organizational levels in terms of how to deliver these strategic goals associated with their strategy.

James and Hatten (1995) have tested the links between executive attributes to set goal (the degree to which the level of the strategic goal achievement) and firm strategy (Miles and Snow's four typology strategies, 1978). They found that transformational leaders, who emphasize achieving higher levels of effort, performance, and survival (Bass, 1998), will perceive and articulate organizational goals that are characterized as being more similar to the risk-oriented prospector strategy. They concluded that the prospector strategy which is the more dynamic orientation in Miles and Snow's typology described goal achievement as involving a broad service market domain that undergoes periodic redefinition, where such firms are characterized by a rapid response to changes in the market, more risk taking, while seeking out new opportunities (Shortell and Zajac, 1990). The defender strategy highlights goal with maintaining a secure niche in one's market and seeking stability within markets that are expected to remain stable. Defenders are overly concerned goal with internal efficiency and work to produce reliable, high-quality services for their customers. Analyzers considered goal in the midway between prospectors and defenders. Organizations that rely on the analyzer strategy maintain stability but also try to identify potential new developments, but take a less risky approach than prospectors (James and Hatten, 1995). Similarly, Conger and Kanungo (1998) suggest that transformational leaders articulate visions to generate new ideas and possibilities for the future during periods of crisis and change, oftentimes creating new strategic directions. These goals contain strategic ideals that followers find them deeply challenging. Their strategic orientation and goals are expected to emphasize their followers for the potential benefits of change over its disadvantages. Therefore, goal achievement focus is likely to have a positive influence on dynamic service strategy. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 12a: The higher the goal achievement focus is, the more likely that firm will gain greater service innovation generation.***

***Hypothesis 12b: The higher the goal achievement focus is, the more likely that firm will gain greater service research and development orientation.***

***Hypothesis 12c: The higher the goal achievement focus is, the more likely that firm will gain greater continuous service improvement.***

***Hypothesis 12d: The higher the goal achievement focus is, the more likely that firm will gain greater proactive service enhancement.***

***Hypothesis 12e: The higher the goal achievement focus is, the more likely that firm will gain greater transformational service mindset.***

#### Valuable Employee Competency

Valuable employee competency is defined as an ability of employee about customer predictions, searching the information of occurrence / or behavioral to used of service, need and want of customers by conducting market research, awareness of customer complaint through improved communication system inter- organization that can create new service strategy.

Valuable competency can be characterized as the minimum combination of achievement-based behavioral objectives, mastery learning, and life experiences that result in student learning necessary to succeed in one's profession (Trivett, 1975). Competency is evidenced by individual achievement of required skills and knowledge (Caroline, 1992).

Previous studies are of the view that firm's competency assets include its structure, culture, process, employee and technology (Lubit, 2001). The knowledge management literature has tended to emphasize employee knowledge as a locus for management efforts (Lubit, 2001). Knowledge refers to an explanation using reasons for causes to belief (Polanyi, 1985), the information that is worth expressing (Grayson and Dell, 1988). Devenport and Prusak (1998) defined knowledge as a structure of

experience, value information to work, extent of assessment, and groups of new experience and new information by integrative. The best knowledge is the basis of change competencies (Kogut and Zander, 1993). Knowledge is divided into two types: tacit and explicit. Tacit knowledge refers to the feeling of not wanting to show or give one's opinion at the speech and have specially environment and have in personalities and difficultly communication; and explicit knowledge means giving one's opinion at the speech, easy communication, firm policies, system, indication and operation processes (Nonaka, 1994). Tacit knowledge is associated with experience, used and integrative knowledge individual in routine of firm should arise from order explicit by integrative special product and process (Inkpen and Dinur, 1998). Thus, knowledge is the most strategically important resource that organizes processes (Grant, 1996). The importance of understanding the needs of customers in widely-accepted is pre-requisite products and services. For product purchases through traditional channels, customers are known to have expectations for the product they are buying as well as for service associated with its purchase (Finch, 2007). The most important aspect of success is the product's correlation with customer needs and wants. To achieve this, it is important that development process has good communications, supportive top management and strong employee involvement. In service firms, employees who make direct contact with customers represent the organization and produce the services (Suprenant and Solomon, 1987). Therefore, employee competency is important to create new service strategy. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 13a: The higher the valuable employee competency is, the more likely that firm will gain greater service innovation generation.***

***Hypothesis 13b: The higher the valuable employee competency is, the more likely that firm will gain greater service research and development orientation.***

***Hypothesis 13c: The higher the valuable employee competency is, the more likely that firm will gain greater continuous service improvement.***

***Hypothesis 13d: The higher the valuable employee competency is, the more likely that firm will gain greater proactive service enhancement.***

***Hypothesis 13e: The higher the valuable employee competency is, the more likely that firm will gain greater transformational service mindset.***

#### Intelligent Customer Learning

Intelligent customer learning refers to the ability of organization to know about service that customer accustomed to using or experiencing of service in the past by focusing on learning process through information that the customers receive from their friends hearsay, purchase, use, and word-of-mouth and the data of competitor for improving and developing new service create high customer satisfaction in service.

Learning is defined as the value and beliefs that relate to the development of new knowledge (Hult, Ketchen, and Nichols, 2003) and that has the potential to influence behavior (Huber, 1991). Sun, Li, and Zhou (2006) defined learning as the process of excerpt hidden predictive information from large databases to identify valuable customers, learn about their preferences, predict future behaviors, and estimate customer value.

This concept of learning capability can be both internal and external. Firms will succeed in sufficient balance between internal and external learning appropriate in innovation strategy (Hurley and Hult, 1998). Argote and others (2003) explained learning capability of organization including acquisition, dissemination and use of knowledge by organizational learning to product or service innovation or product or service market. Alegre and Chiva (2008) explained that it consists of the creation dissemination and use of knowledge to service or service market. Sun, Li, and Zhou (2006) separate learning into two types. The first is active learning that tends to approach the process in an entirely different way. Rather than utilizing, a campaign-focused model of identifying customers with a potential need for the firm's problem, active learner firms seek to better understand customers' needs in their latent form in order to operationalize an optimal solution in the form of the firm's next value proposition (Edwards and Allenby, 2003). The second is passive learning as the process of periodically reviewing the firm's customer databases to undertake campaign-centric

programs. The resulting “snapshots” should provide a better understanding of customers’ needs and wants – and their likely response to the firm’s value proposition, on the other hand, consequent inferences are made in an ad hoc manner. Customer needs are identified on the basis of their historical purchases and progressive new product acceptance, which is, in essence, a retrospective viewpoint. The knowledge created is the results of process involving the acquisition, the distribution and interpretation of knowledge (Moorman, 1995).

To survive in a competitive market, companies become, by nature, internally focused and their interactions with customers are fundamentally adversarial. In response to the needs and wants to increase revenue and profit, firms must focus on customer satisfaction, the most important aspect of job. In the high competitive environment, business needs to be looking to new paradigms to support excellence in customer experience (Millard, 2006). Thus, firms with high intelligent customer learning tend to attain greater dynamic service strategy. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 14a: The higher the intelligent customer learning is, the more likely that firm will gain greater service innovation generation.***

***Hypothesis 14b: The higher the intelligent customer learning is, the more likely that firm will gain greater service research and development orientation.***

***Hypothesis 14c: The higher the intelligent customer learning is, the more likely that firm will gain greater continuous service improvement.***

***Hypothesis 14d: The higher the intelligent customer learning is, the more likely that firm will gain greater proactive service enhancement.***

***Hypothesis 14e: The higher the intelligent customer learning is, the more likely that firm will gain greater transformational service mindset.***

### Complex Business competition

Complex business competition is defined as the heterogeneity, diversity, uncertainty, instability of business competition components. It is the scope to extend which market diversity. In this framework, complex in competitions consists of the industry dynamic, number of competitors, new competitor's entry, and competitor's action. Thus, industry dynamic, number of competitors, new competitor's entry, and competitor's action in marketplace lead to greater diversity of business competition.

Environmental complexity is defined as the heterogeneity, diversity, uncertainty, instability of environmental components (Luo, 2001). Thus, firms in environmental complexity direct to decrease economy of scale, increase expenditure and promote costs of sourcing on product differentiation. Wiersema and Bantel (1993) explained that environmental complexity refers to the heterogeneity in and range of the factors of environment have affect strategic decision making.

To extend about competitive research, on the other side, this framework presents competitive complexity. Previous researches propose that competitive complexity has a negative influence on firm performance. In addition, this research focuses on competitiveness that helps firm improved performance, called complex competition. Within competitor analysis, firms should engage to follow and understand the generally current strategy, objective and assumption, and capabilities of rivals (Hitt, Ireland, and Hoskisson, 2001). The consistent literature in intensive environmental complexity helps firms increase performance (Hortal, Muel, and Lobo, 2009), but lack of complexity gives difficult and stressful conditions for managers and affects the firm's survival (Juutinen, Monkkonen and Ollikainen, 2008). Peyrot and others (2002) argue that environmental complexity consists of market diversity; the number of distinct products offered, client, competitor, and supplier diversification wherein measured by the number of player. Park and Conlon (1995) also note that firms in diversity markets are likely to make good decisions and perceive low market risks. As a result, this research proposes that the complex competition has a positive effect on dynamic service strategy. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 15a: The higher the complex business competition is, the more likely that firm will gain greater service innovation generation.***

*Hypothesis 15b: The higher the complex business competition is, the more likely that firm will gain greater service research and development orientation.*

*Hypothesis 15c: The higher the complex business competition is, the more likely that firm will gain greater continuous service improvement.*

*Hypothesis 15d: The higher the complex business competition is, the more likely that firm will gain greater proactive service enhancement.*

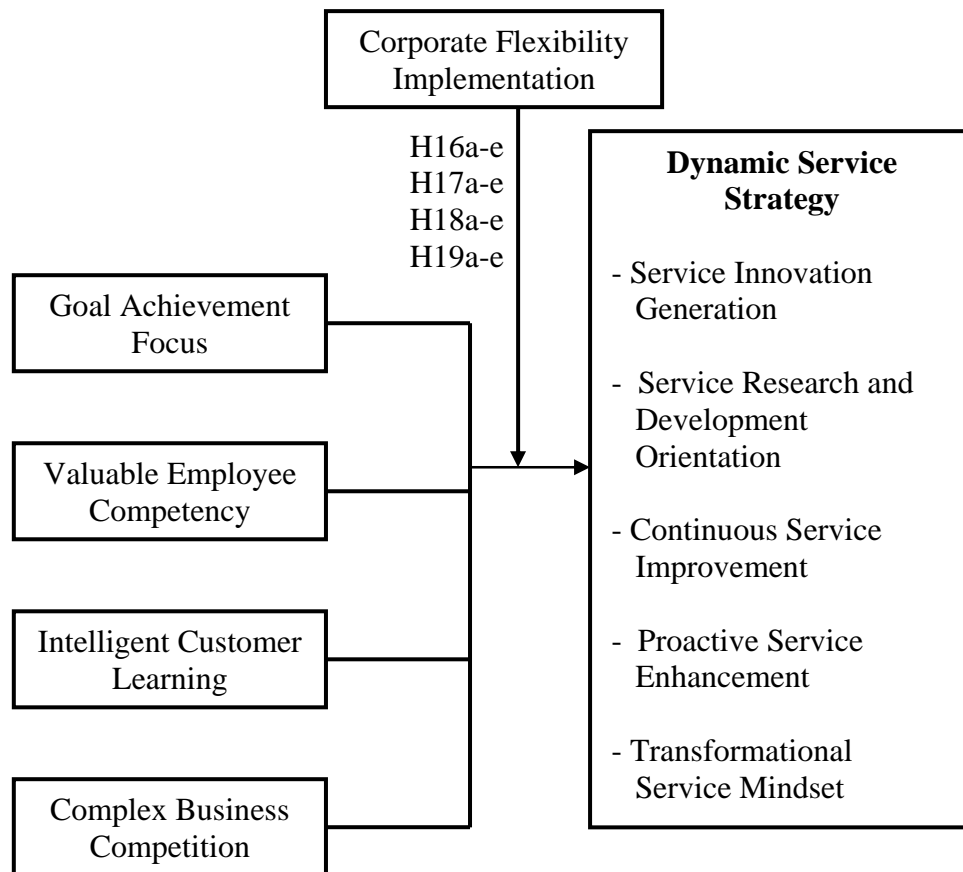
*Hypothesis 15e: The higher the complex business competition is, the more likely that firm will gain greater transformational service mindset.*

### **The Moderating Effects of Dynamic Service Strategy**

#### Effects of Antecedent Variables on Dynamic Service Strategy via Moderating Effect of Corporate Flexibility Implementation

The sixth part attempts to examine the impact of antecedents on dimension of dynamic service strategy via moderating effect of corporate flexibility implementation as presented in Figure 8 below:

Figure 8: Effects of Antecedents on Dimension of Dynamic Service Strategy  
via Moderating Effect of Corporate Flexibility Implementation



#### Corporate Flexibility Implementation

Corporate flexibility Implementation refers to organizations use organization's ability to change both economically and effectively given a certain capacity in order to response change environment. Flexibility refers to an ability to rapidly adapt aspects of the organization in the face of new opportunities or threats in the environment (Birkinshaw, 2000). Corporate flexibility is defined as the ability of an organization to change operations management activities both economically and effectively given a certain capacity (Browne and others, 1984; Gupta and Somers, 1992; Sethi and Sethi, 1990). Corporate flexibility is defined as an ability to respond to environmental changes with less time and cost (Upton, 1994). Corporate flexibility is a complex, multidimensional concept that has evolved over time. Many classifications of flexibility types have emerged, which can be distinguished by whether they classify flexibility

according to the ability to change operations management activities, or by its nature (Slack, 2005). Other researchers suggest that flexibility is a multi - dimensional construct and could be measured in many different ways (Seith and Seith, 1990; Gerwin, 1993; De Toni and Tonchia, 1998). Several studies have classified flexibility into internal and external flexibility (Lynch and Cross, 1991; Upton, 1994). External flexibility is relative to the need of customer requirements and thus to a firm's competitive advantage. It is also referred as "first order" flexibility (Suarez and others, 1996) or market based flexibility (Chen and others, 1992). Examples of external flexibility are new product, product mix, modifications, delivery, and volume flexibility. Internal flexibility is relative to the need for operations efficiency, and it is not directly related to market demand and environmental uncertainties. Examples of internal flexibility are technology flexibility, operational flexibility, routing flexibility, product or service variety flexibility, and service volume flexibility.

Slack (1987), for instance, identified range flexibility and response flexibility, Upton (1994) distinguished levels of flexibility by the number of services produced (range flexibility) and the amount of time required (mobility flexibility), and Zhang and others, (2003) emphasized the external customer-facing capabilities of service mix flexibility and service volume flexibility.

The literature has suggested the theoretical relationship between corporate flexibility and strategy (Upton, 1995; De Groote, 1994; Gerwin, 1993). Thus, corporate flexibility has a significant effect on a firm's competitiveness, and it has to play a major role in strategy. Suarez and others (1996) advocated the need for considering several strategic factors before planning and implementing corporate flexibility. Ariss and Zhang (2002) empirically verified the relationship between corporate process flexibility, and a firm's competitive position defined by the service-process matrix. Gupta and Somers (1996) verified the relationship between corporate, business strategy and business performance. They found that business strategy has direct effects on the adoption of corporate flexibility, which in turn indirectly affects business performance. However, their study involved mostly internal flexibility and offered no suggestions regarding the "fit" between the dimension of corporate flexibility and type of business strategy. Taking all into account, this research formulates the hypotheses as below:

*Hypothesis 16a: Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and service innovation generation.*

*Hypothesis 16b: Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and service research and development orientation.*

*Hypothesis 16c: Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and continuous service improvement.*

*Hypothesis 16d: Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and proactive service enhancement.*

*Hypothesis 16e: Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and transformational service mindset.*

*Hypothesis 17a: Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and service innovation generation.*

*Hypothesis 17b: Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and service research and development orientation.*

*Hypothesis 17c: Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and continuous service improvement.*

*Hypothesis 17d: Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and proactive service enhancement.*

*Hypothesis 17e: Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and transformational service mindset.*

*Hypothesis 18a: Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and service innovation generation.*

*Hypothesis 18b: Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and service research and development orientation.*

*Hypothesis 18c: Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and continuous service improvement.*

*Hypothesis 18d: Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and proactive service enhancement.*

*Hypothesis 18e: Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and transformational service mindset.*

*Hypothesis 19a: Corporate flexibility implementation will positively moderate the relationships between complex business competition and service innovation generation.*

*Hypothesis 19b: Corporate flexibility implementation will positively moderate the relationships between complex business competition and service research and development orientation.*

***Hypothesis 19c: Corporate flexibility implementation will positively moderate the relationships between complex business competition and continuous service improvement.***

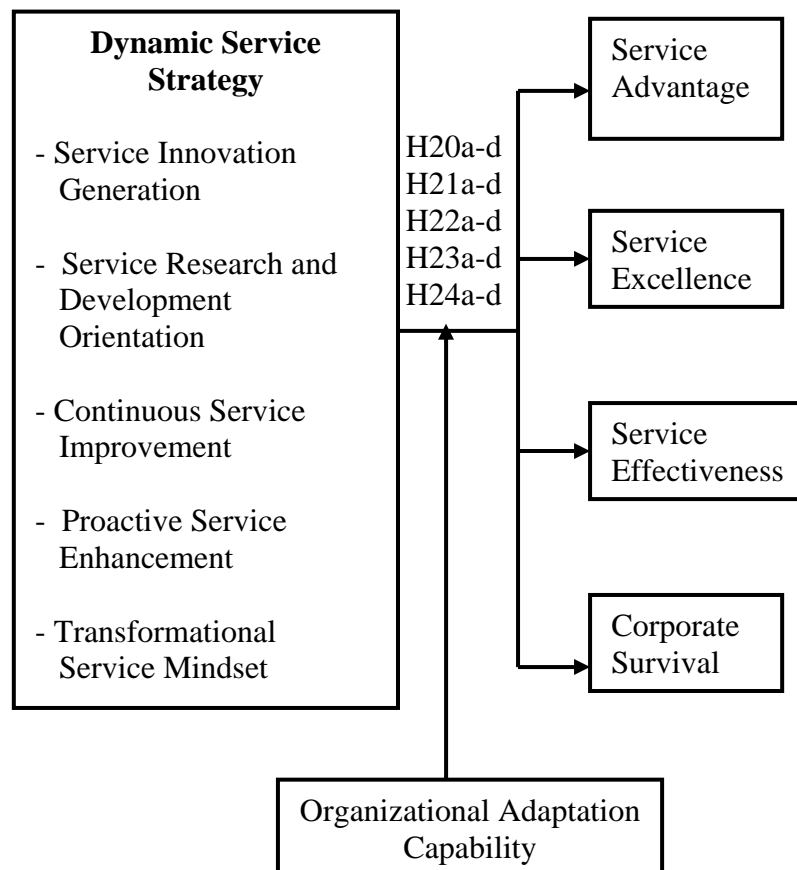
***Hypothesis 19d: Corporate flexibility implementation will positively moderate the relationships between complex business competition learning and proactive service enhancement.***

***Hypothesis 19e: Corporate flexibility implementation will positively moderate the relationships between complex business competition and transformational service mindset.***

**Effects of Dynamic Service Strategy on Service Advantage, Service Effectiveness, Service Excellence, and Corporate Survival via Moderating Effect of Organizational Adaptation Capability**

The last part attempts to examine the impact of dynamic service strategy on service advantage, service effectiveness, service excellence, and corporate survival via moderating effect of organizational adaptation capability as presented in Figure 9 below:

Figure 9: Effects of Dynamic Service Strategy on Service Advantage, Service Effectiveness, Service Excellence, and Corporate Survival via Moderating Effect of Organizational Adaptation Capability



#### Organizational Adaptation Capability

Organizational adaptation capability refers to the specific capability of the firm to adjust and response successfully to environmental change. Both environmental condition and organizational capabilities shape the firm's response to take competitive advantage in order for organization success (Lee, 2001).

Organizational adaptation refers to modifications and alterations in the organization or its components in order to adjust to changes in its environment. Adaptation performs when in lack of fit that arises between the organizations. Its purposes are to restore equilibrium to an imbalanced condition (Cameron, 1984).

Currently, the concept of adaptation is used in various terms such as flexibility, resilience, agility and versatility. The authors often use them synonymously to mean a process to modifications and alterations in the organization or its components in order to adjust and response to changes (Phillips and Wright, 2009). For this concept, it reflects how organizations respond to the changing environment.

Organizational capability can be viewed as the difference within an organization. From a strategic management perspective, Hitt, Ireland and Hoskison (2005) define capabilities as a combination of resources and capabilities which are named core competencies. Helfat and Peteraf (2003) define it as an ability of an organization to perform a coordinated set of tasks, utilizing organization resources for the purpose of achieving a particular end result. Similarly, competencies are the functions, processes, and routines in the organization (Watson, 2002). Capability is important to organization; it is a key source of firm competitiveness that enables the firm to create potentially idiosyncratic strategic and to enact its environment. Effective core competencies must be continually evolving and changing overtime in its environment. Capability can reduce firm's uncertainty and result in positive outcome (Lei, Hitt, and Bettiss, 1996). Turner and Crawford (1994) classify capability into two categories: personal competencies and corporate competencies. Personal competencies are possessed by individuals and include characteristics such as knowledge, skills, abilities, experience and personality. Corporate competencies belong to the organization and are embedded processes and structures that tend to reside within the organization even when individual leave. The focus of this research is on organization-level competency. Some capabilities deal with adaptation, and change process, all capabilities have the potential to accommodate change and adaptation (Helfat and Peteraf, 2003). However, the goal of core competencies is to enable quick adaptation and can be a key of competitive advantage in order for organization to be successful (Lee, 2001). Thus, organizational adaptation capability reflects characteristics of effectiveness to gain successful responses. Taking all into account, this research formulates the hypotheses as below:

***Hypothesis 20a: Organizational adaptation capability will positively moderate the relationships between service innovation generation and service advantage.***

*Hypothesis 20b: Organizational adaptation capability will positively moderate the relationships between service innovation generation and service effectiveness.*

*Hypothesis 20c: Organizational adaptation capability will positively moderate the relationships between service innovation generation and service excellence.*

*Hypothesis 20d: Organizational adaptation capability will positively moderate the relationships between service innovation generation and corporate survival.*

*Hypothesis 21a: Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service advantage.*

*Hypothesis 21b: Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service effectiveness.*

*Hypothesis 21c: Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service excellence.*

*Hypothesis 21d: Organizational adaptation capability will positively moderate the relationships between service research and development orientation and corporate survival.*

*Hypothesis 22a: Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service advantage.*

*Hypothesis 22b: Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service effectiveness.*

*Hypothesis 22c: Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service excellence.*

*Hypothesis 22d: Organizational adaptation capability will positively moderate the relationships between continuous service improvement and corporate survival.*

*Hypothesis 23a: Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service advantage.*

*Hypothesis 23b: Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service effectiveness.*

*Hypothesis 23c: Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service excellence.*

*Hypothesis 23d: Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and corporate survival.*

*Hypothesis 24a: Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service advantage.*

*Hypothesis 24b: Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service effectiveness.*

*Hypothesis 24c: Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service excellence.*

*Hypothesis 24d: Organizational adaptation capability will positively moderate the relationships between transformational service mindset and corporate survival.*

### Control Variables

The control variables include firm experience and firm size that may affect the relationship between dynamic service strategy and consequences, and antecedent variables – dynamic service strategy.

#### Firm experience

Firm experience is chosen as a first control variable in this research and measured by number of years firm has been in operation adapted from Chen and Huang (2009). Firm experience reflects the length of time available in the firm to implement learning (Lee, Johnson and Grewal, 2008). Because younger firms are more likely to lack wide database and experience in the marketing area than the older ones (Luo, Zhou and Liu, 2005), Traditional firms have experience in monitoring environmental changes faster than new firms and more suitable to improve creative and innovative products that create a competitive advantage and firm survival. Mature firms tend to renew strategy or renew organization more than those younger firms (Baden-Fuller and Volberda, 1997). Therefore, in this research, firm age or firm experience is measured by number of years that firm has been in operation. Also, firm experience is measured in order to control possible experience effects. In this case, this variable is coded as a dummy variable, with a value of zero assigned to 5 years or below, a value of one assigned to more than 5 years developed from Chen and Huang (2009).

#### Firm size

Firm size is treated as a control variable in this research and measured by the number of employees in firm (Delmotte and Sels, 2008; Lahiri and others, 2009). Firm size may affect the ability to adjust, redefine, or renew firm's strategy (Baden-Fuller and Volberda, 1997). Large firms are likely to rapidly renew firm's strategy than those small ones (Jansen, Van Den Bosch and Volberda, 2005). In this respect, firm size has also been recognized as an important factor affecting the survival of the organization and could be a crucial obstacle to the creating an intelligent organization, because large companies have more resources get rid of them (Walter, Auer and Ritter, 2006). Similarly, the other studies propose that firm size can have a significant effect on firm

performance and firm survival (Rothaermel and Deeds, 2006; Zhou, 2006; Akgün and others, 2007). In this research, firm size refers to number of employees registered in firm which is represented by a dummy variable, with a value of zero assigned to firms with less than 15 employees, a value of one assigned to those with 15 employees or more developed from Delmotte and Sels, 2008.

### Summary

As aforementioned, this chapter explains the conceptual model of dynamic service strategy and corporate survival. This chapter has detailed the literature review, dynamic capabilities and competency-based view, conceptual framework, and has proposed a set of 24 testable hypotheses. Dynamic service strategy is the main involve of this research that it is focused on its antecedents and consequences. It also investigates the impact of service advantage, service effectiveness, service excellence, customer satisfaction, customer acceptance, firm performance on corporate survival through the effect of moderating role of corporate flexibility implementation and organizational adaptation capability.

Table 4 present summaries of all hypotheses relationships as shown below. The next chapter will describe the research methods including the population selection and data collection procedure, the variable measurements of each construct, the instrumental verification, the statistics and equations to test the hypotheses and summarize definitions and operational variables of constructs for the research.

Table 4: Summary of Hypothesized Relationships

Hypothesis	Description of Hypothesized Relationships
<b>H1a</b>	The higher service innovation generation is, the more likely that firm will gain greater service advantage.
<b>H1b</b>	The higher service innovation generation is, the more likely that firm will gain greater service effectiveness.
<b>H1c</b>	The higher service innovation generation is, the more likely that firm will gain greater service excellence.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H1d</b>	The higher service innovation generation is, the more likely that firm will gain greater corporate survival.
<b>H2a</b>	The higher service research and development orientation is, the more likely that firm will gain greater service advantage.
<b>H2b</b>	The higher service research and development orientation is, the more likely that firm will gain greater service effectiveness.
<b>H2c</b>	The higher service research and development orientation is, the more likely that firm will gain greater service excellence.
<b>H2d</b>	The higher service research and development orientation is, the more likely that firm will gain greater corporate survival.
<b>H3a</b>	The higher continuous service improvement is, the more likely that firm will gain greater service advantage.
<b>H3b</b>	The higher continuous service improvement is, the more likely that firm will gain greater service effectiveness.
<b>H3c</b>	The higher continuous service improvement is, the more likely that firm will gain greater service excellence.
<b>H3d</b>	The higher continuous service improvement is, the more likely that firm will gain greater corporate survival.
<b>H4a</b>	The higher proactive service enhancement is, the more likely that firm will gain greater service advantage.
<b>H4b</b>	The higher proactive service enhancement is, the more likely that firm will gain greater service effectiveness.
<b>H4c</b>	The higher proactive service enhancement is, the more likely that firm will gain greater service excellence.
<b>H4d</b>	The higher proactive service enhancement is, the more likely that firm will gain greater corporate survival.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H5a</b>	The higher transformational service mindset is, the more likely that firm will gain greater service advantage.
<b>H5b</b>	The higher transformational service mindset is, the more likely that firm will gain greater service effectiveness.
<b>H5c</b>	The higher transformational service mindset is, the more likely that firm will gain greater service excellence.
<b>H5d</b>	The higher transformational service mindset is, the more likely that firm will gain greater corporate survival.
<b>H6a</b>	The higher service advantage is, the more likely that firm will gain greater service excellence.
<b>H6b</b>	The higher service advantage is, the more likely that firm will gain greater customer satisfaction.
<b>H6c</b>	The higher service advantage is, the more likely that firm will gain greater customer acceptance.
<b>H7a</b>	The higher service effectiveness is, the more likely that firm will gain greater service excellence.
<b>H7b</b>	The higher service effectiveness is, the more likely that firm will gain greater customer satisfaction.
<b>H7c</b>	The higher service effectiveness is, the more likely that firm will gain greater customer acceptance.
<b>H8a</b>	The higher service excellence is, the more likely that firm will gain greater customer satisfaction.
<b>H8b</b>	The higher service excellence is, the more likely that firm will gain greater customer acceptance.
<b>H9a</b>	The higher customer satisfaction is, the more likely that firm will gain greater customer acceptance.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H9b</b>	The higher customer satisfaction is, the more likely that firm will gain greater firm performance.
<b>H10</b>	The higher customer acceptance is, the more likely that firm will gain greater firm performance.
<b>H11</b>	The higher firm performance is, the more likely that firm will gain greater corporate survival.
<b>H12a</b>	The higher goal achievement focus is, the more likely that firm will gain greater service innovation generation.
<b>H12b</b>	The higher goal achievement focus is, the more likely that firm will gain greater service research and development orientation.
<b>H12c</b>	The higher goal achievement focus is, the more likely that firm will gain greater continuous service improvement.
<b>H12d</b>	The higher goal achievement focus is, the more likely that firm will gain greater proactive service enhancement.
<b>H12e</b>	The higher goal achievement focus is, the more likely that firm will gain greater transformational service mindset.
<b>H13a</b>	The higher valuable employee competency is, the more likely that firm will gain greater service innovation generation.
<b>H13b</b>	The higher valuable employee competency is, the more likely that firm will gain greater service research and development orientation.
<b>H13c</b>	The higher valuable employee competency is, the more likely that firm will gain greater continuous service improvement.
<b>H13d</b>	The higher valuable employee competency is, the more likely that firm will gain greater proactive service enhancement.
<b>H13e</b>	The higher valuable employee competency is, the more likely that firm will gain greater transformational service mindset.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H14a</b>	The higher intelligent customer learning is, the more likely that firm will gain greater service innovation generation.
<b>H14b</b>	The higher intelligent customer learning is, the more likely that firm will gain greater service research and development orientation.
<b>H14c</b>	The higher intelligent customer learning is, the more likely that firm will gain greater continuous service improvement.
<b>H14d</b>	The higher intelligent customer learning is, the more likely that firm will gain greater proactive service enhancement.
<b>H14e</b>	The higher intelligent customer learning is, the more likely that firm will gain greater transformational service mindset.
<b>H15a</b>	The higher complex business competition is, the more likely that firm will gain greater service innovation generation.
<b>H15b</b>	The higher complex business competition is, the more likely that firm will gain greater service research and development orientation.
<b>H15c</b>	The higher complex business competition is, the more likely that firm will gain greater continuous service improvement.
<b>H15d</b>	The higher complex business competition is, the more likely that firm will gain greater proactive service enhancement.
<b>H15e</b>	The higher complex business competition is, the more likely that firm will gain greater transformational service mindset.
<b>H16a</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and service innovation generation.
<b>H16b</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and service research and development orientation.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H16c</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and continuous service improvement.
<b>H16d</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and proactive service enhancement.
<b>H16e</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and transformational service mindset.
<b>H17a</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and service innovation generation.
<b>H17b</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and service research and development orientation.
<b>H17c</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and continuous service improvement.
<b>H17d</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and proactive service enhancement.
<b>H17e</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and transformational service mindset.
<b>H18a</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and service innovation generation.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H18b</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and service research and development orientation.
<b>H18c</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and continuous service improvement.
<b>H18d</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and proactive service enhancement.
<b>H18e</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and transformational service mindset.
<b>H19a</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and service innovation generation.
<b>H19b</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and service research and development orientation.
<b>H19c</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and continuous service improvement.
<b>H19d</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and proactive service enhancement.
<b>H19e</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and transformational service mindset.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H20a</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and service advantage.
<b>H20b</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and service effectiveness.
<b>H20c</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and service excellence.
<b>H20d</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and corporate survival.
<b>H21a</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service advantage.
<b>H21b</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service effectiveness.
<b>H21c</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service excellence.
<b>H21d</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and corporate survival.
<b>H22a</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service advantage.

Table 4: Summary of Hypothesized Relationships (Continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>
<b>H22b</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service effectiveness.
<b>H22c</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service excellence.
<b>H22d</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and corporate survival.
<b>H23a</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service advantage.
<b>H23b</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service effectiveness.
<b>H23c</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service excellence.
<b>H23d</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and corporate survival.
<b>H24a</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service advantage.
<b>H24b</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service effectiveness.

Table 4: Summary of Hypothesized Relationships (Continued)

Hypothesis	Description of Hypothesized Relationships
<b>H24c</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service excellence.
<b>H24d</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and corporate survival.

## CHAPTER III

### RESEARCH METHODS

This chapter describes the research methods which are organized as follows. Firstly, it includes the sample selection and data collection procedures, population and sample, data collection, and test of non-response bias are detailed. Secondly, the variable measurements are developed. Thirdly, the instrumental verifications, including test of validity and reliability and the statistical analysis, are presented. Finally, the table of summary of definitions and operational variables of constructs is included.

#### **Sample Selection and Data Collection Procedure**

##### Population and Sample

This research studies antecedents and consequences of dynamic service strategy of spa businesses in Thailand. The population is chosen from the database of the Department of Business Development and Thai Spa Association base on information searched on 12/3/2011.

This database is a good source that provides all of complete addresses and shows the company registration of all spa businesses in Thailand. Spa business is interesting to be investigated for several reasons. First, the spa business is business services primarily to create competitive advantage and meet the needs of consumers mainly. Second, the current environment has changed over the years to adjust their business strategies for corporate survival. Lastly, competitors enter the market with new adaptive services to meet the needs of consumers in the form of a variety of activities. Nowadays, spa businesses in Thailand are with many services available under the definition of international spa prescribed by International Spa Association (ISPA). Firstly, day spa refers to that spa business clients use the service for a period of temporary and located in a convenient location. There are no overnight accommodations; various services they provide are such as massage, oil massage, beauty service, and water use for health. Secondly, hotel and resort spa refers to business located in the same hotel or resort and a place to exercise. Thirdly, destination spa refers to business set up a primary health care.

There are accommodations. There are comprehensive health activities such as healthy diet and exercise. Lastly, medical spa refers to spa set by hospital and care by doctors and nurses. In the research, we select day spa businesses in Thailand because the research focuses on dynamic service strategy. Day spa businesses are customer service, and with high competition. Day spa businesses in Thailand can be divided into three activities: health spa, health spa massage, and beauty spa.

The population of this research is all of complete addresses and shows the company registration of all spa businesses in Thailand totally 1,020 day spa businesses from the database of the Department of Business Development and Thai Spa Association based on information searched on 12/3/2011. Day spa businesses, especially, those with company registration level, attempt to increase service quality and develop prominent services different from competitors to attract their customers by focusing on new service. The sample was selected from all firms as the population i.e. all 1,020 day spa businesses in Thailand.

### Data Collection

Data were collected from 1,020 company registration level Day spa businesses in Thailand. In this research, the technique used in data collection is by questionnaire mail survey with five-point likert scale items. The questionnaire consists of seven parts. Part one is the check-list questions for assessment of key informant background. Part two asks about general firm's information. Part three through six are related to evaluating each of constructs in the conceptual model. Finally, an open-ended question for participant's suggestions and opinions is included in part seven. The questionnaire development procedure involved three steps as follows:

First, eighteen variables with seventy items were developed as new measurement scales because these variables have not yet been studied in empirical research before. It was developed based on several sources of literature (e.g., strategic management, marketing literature, etc). For content validity, the developed questionnaire was checked by academic experts for any misunderstanding that may rise from ambiguities.

Second, a pretest of 30 representative informants from the sampling frame is requested for evaluating question content, wording, sequences, form and layout,

question difficulty, and instruction to ensure the validity and reliability. Factor analysis and Cronbach's Alpha were conducted to test validity and reliability respectively.

Finally, after the pretest, the questionnaire is modified and adjusted basing on the comments by qualified academics in the related field to ensure effectiveness. For the convenience in follow-up mailing, each questionnaire is assigned a code number. Each code number is written in ink at the left corner of the back of the last page of the questionnaire. This questionnaire is attached in the Appendix A.

The mail questionnaires are used to collect data. The mail survey is appropriate survey because it is a widely-used method for large-scale data collection in geographical area, mailing questionnaire is effective (Neuman, 2006). Questionnaire is conducted by study with key informants including managing directors or managing partners. These key informants are selected because they can provide the reality of information and truly understand their businesses. Unit of analysis of this research is spa business in Thailand. Then, the complete questionnaires are directly sent back to the researcher within three weeks by the prepaid returned envelopes for ensuring confidentiality.

With respect to the questionnaire mailing, 245 surveys were undeliverable because some firms were no longer in business or had changed addresses to unknown locations. Deducting the undeliverable from the original 1,020 mailed, the valid mailing was 775 surveys. After one month, 194 questionnaires were returned, ten of them are found incomplete. Thus, useable questionnaires were 184. The effective response rate was approximately 23.74 percent. Based on Aaker, Kumar and Day (2001), the response rate for mail survey without an appropriate follow-up procedure if greater than 20 percent is considered acceptable. The details of questionnaires sending and calculated response rate are presented as shown in Table 5.

Table 5: Survey Response Rate

Details	Numbers
Number of questionnaires mailing	1,020
Number of undelivered questionnaires	245
Number of successful questionnaire mailing	775
Received questionnaires	194
Unusable questionnaires	10
Usable questionnaires	184
Response rate $184/(1,020-245) \times 100$	23.74%

#### Test of Non-Response Bias

To detect possible response bias problems between respondents and nonrespondents, a t-test comparison of the demographics between early and late respondents is conducted corresponding with the test for non-response bias by Armstrong and Overton (1977) and Rogelberg and Stanton (2007). Then, responses from the first group mailing are used to compare with those received from the second group mailing on the basis of demographic information including spa activities, operational years, number of employees, current operation capital, and average annual income of the business. If it finds no statistically significant difference between early and late respondents, it demonstrates non-response bias between respondents and non-respondents. Also, the late respondents represent non-respondents (Armstrong and Overton, 1977 and Rogelberg and Stanton, 2007).

In this research, all 184 received questionnaires are split equally into two groups. The early 92 respondents as the first group are used to compare with the late 92 ones in terms of their demographic variables such as firm activity, firm age, firm size, and firm capital. Both groups are analyzed by comparing the means and analyzed by t-test procedures. The results show no statistically significant difference between early and late respondents (See in Appendix A). The results provided the evidence that there was no significant difference between two groups at 95% confidence level (activities of firm  $t = -.1.495$ ,  $p > .05$ ; operational years  $t = -.823$ ,  $p > 0.05$ ; employees in the firm

$t = -.321, p > .05$ ; current operation capital  $t = -.158, p > .05$ ). As a result, non-response bias is not a key problem in this research.

## Measurements

The measure development procedures involve the multiple items development for measuring each construct in the conceptual model. To measure each construct in the conceptual model, all of variables gained from the survey and are measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Therefore, the variable measurements of dependent variable, independent variables, and control variables of this research are described as follows.

### Dependent Variable

Corporate survival is measured by the increasing high income from operating, obtaining the high profit from investment, having high progress from good service sale, and being able to maintain market share, etc. This construct is measured by 4 items developed as a new scale from its definition and literature.

### Independent Variables

This research consists of five independent variables: dynamic service strategy, goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition. The First variable is a core construct of this research. This variable is measured by five attributes: service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset. These attributes reflect the good characteristics of dynamic service strategy. The measure of each attribute depends on its definition which is also detailed as below.

*Service innovation generation.* Service innovation generation is measured by the ability of firm to search for sources and methods in generating the innovation of new service continuously in order to respond to customer's need and can achieve competitive advantage. This variable is measured by 4 items developed as a new scale from the related literature and its definition.

*Service research and development orientation.* Service research and development orientation comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. This variable is measured by 4 items developed as a new scale from the related literature and its definition.

*Continuous service improvement.* Continuous service improvement is measured by the ability of organizations to improve services to meet the needs of consumers and to create survival and growth of the business. Continuous service improvement is an ongoing activity aimed at raising the level of organization-wide performance through focused incremental changes in processes. This construct is measured by 3 items developed as a new scale from definition and literature.

*Proactive service enhancement.* Proactive service enhancement is measured by ability of the firm that uses improving services for forward-looking, opportunity-seeking and first mover is faster than competitors and response customer need and want. This construct is measured by 4 items developed as a new scale from definition and literature.

*Transformational service mindset.* Transformational service mindset is measured by 3 items developed as a new scale applied from prior empirical studies on strategic orientation which are adapted (Venkatraman, 1989; Morgan and Strong, 2003). It reflects the service mindset in market perspective (by the relative speed of new service introductions, service market-opportunity-seeking behavior and proactive service life-cycle management).

#### Antecedent Variables

This research views the four drivers of dynamic service strategy: goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition.

*Goal achievement focus.* Goal achievement focus is measured by 4 items developed as a new scale applied from Zaccaro and Klimoski, 2001. It reflects organizational leaders direct followers towards achieving organizational purposes by articulating the organization's mission, vision, strategy, and goals.

*Valuable employee competency.* Valuable employee competency is measured by the ability of employee about customer predictions, searching the information of occurrence / or behavioral to used of service, need and want of customers by conducting market research, awareness of customer complaint through improved communication system inter- organization that can create new service strategy. This construct is measured by 4 items developed as a new scale from its definition and literature.

*Intelligent customer learning.* Intelligent customer learning is measured by the ability of organization to know about service that customer accustomed to using or experiencing of service in the past by focusing on learning process through information that the customers receive from their friends hearsay, purchase, use, and word-of-mouth and the data of competitor for improving and developing new service create high customer satisfaction in service. This construct is measured by 4 items developed as a new scale from its definition and literature.

*Complex business competition.* Complex business competition is measured by as the heterogeneity, diversity, uncertainty, instability of business competition components. It is the scope to extend which market diversity. Complex business competition characteristic involve competitor, new entry, supplier, and substitute. This construct is measured by 4 items developed as a new scale from its definition and literature.

#### Consequence variables

The consequence variables are the result of dynamic service strategy. This research proposes service outcome which consist of six variables as described below.

*Service advantage.* Service advantage is measured by 4 items developed as a new scale applied from Song and Motoya-weiss (2001); Nakata and others (2006). It is measure by a certain service's predominance providing customers' superior than competitors' benefits. These benefits are quality, features, and the capability to satisfy consumer needs and consumers satisfaction. Service advantage characteristic involves uniqueness, quality, efficiency, value.

*Service effectiveness.* Service effectiveness is measured by 4 items developed as a new scale applied from Daugherty, Stank, and Ellinger, (1998) and Stank and others (2003). Service effectiveness characteristic involves availability, reliability, and speed of service.

*Service excellence.* Service excellence is measured by 4 items developed as a new scale applied from Wiertz and others (2004). Service excellence characteristic involves greatness, best, superiority than competitors.

*Customer satisfaction.* Customer satisfaction is defined as a person's feelings of pleasure resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. So, customer satisfaction is assessed by four characteristic: reach customer expectation, continuous service improvement, less attention to competing service, less sensitive to price. This construct is measured by 4 items developed as a new scale applied from Wang, Lo, and Yang (2004).

*Customer acceptance.* Customer acceptance is the measurement that concerns the degree of customers' feedback and customer's point of view to provide valuable product, service and information. This construct is measured by 4 items developed as a new scale from its definition and literature.

*Firm performance.* Firm performance is measured by the perception of firm concerning the outcomes that the firm can achieve the goal in terms of market share, sale growth, acquiring new customers, increasing sales to existing customer, and

customer acceptance. This variable is measured by 4 items developed from Vorhies and Morgan (2005).

### Moderating Variables

Moderators are influenced in the relationship in conceptualization model. Two internal moderators in this study are corporate flexibility implementation and organizational adaptation capability.

*Corporate flexibility implementation.* Corporate flexibility implementation is evaluated by organizations use organization's ability to change both economically and effectively given a certain capacity in order to response change environment. Corporate flexibility implementation characteristic involves technology flexibility, operational flexibility, routing flexibility, product or service variety flexibility, and service volume flexibility. This construct is measured by 3 items developed as a new scale from its definition and literature.

*Organizational adaptation capability.* Organizational adaptation capability is measured by the specific capability of the firm to adjust and response successfully to environmental change. Organizational adaptation capability characteristic involves flexibility, resilience, agility, and versatility. This construct is measured by 4 items developed as a new scale from its definition and literature.

### Control Variables

The control variables include firm experience and firm size that may affect the relationship between dynamic service strategy and consequence variables, and antecedent variables – dynamic service strategy.

*Firm experience.* Firm experience is measured by number of years that firm has been in operation adapted from Chen and Huang (2009). Mature firms tend to renew strategy or renew organization more than those younger ones (Baden-Fuller and Volberda, 1997). Also, firm experience is measured in order to control possible experience effects. In this case, firm experience is represented by dummy variables including 0 (5 years or less than) and 1 (more than 5 years).

*Firm size.* Firm size is measured by the number of employees in firm (Delmotte and sel, 2008). It has also been recognized as an important factor affecting the survival of the organization and could be a crucial obstacle to creating an intelligent organization, because large companies have more resources to get rid of them (Walter, Auer and Ritter, 2006). In this study, firm size is represented by dummy variables including 0 (15 employees or less than) and 1 (more than 15 employees).

## **Research Methods**

Research methods are composed of two phases. The first one is instrumental verification that concerns the validity and reliability of the questionnaire, and the second one is checking the statistic assumption and test of hypotheses.

In the first phase, the questionnaire is developed based on the concept of dynamic service strategy. All constructs in this research are generated for the first time based on each variable definition and literature. To ensure instrument confidence, a pre-test method is conducted to assert validity and reliability of questionnaire. The rationale for the pre-test is to check clearly and accurately understanding of a questionnaire before using real data collection. The first thirty firms which are early respondents are chosen for pre-test. The pre-test of 30 representative informants is enough to identify problems with a questionnaire that conformed to Zhou (2006). Accordingly, thirty firms are included in the final data analysis.

In the second phase, multiple regression analysis is used to test hypotheses. Before hypotheses testing, all of raw data are checked, encoded, and recorded in a data file.

### Validity and Reliability

Validity and Reliability are concerned in this research because both ideas help to establish the truthfulness, credibility, or believability of findings (Neuman, 2006).

*Validity.* Validity suggests truthfulness which refers to how well an idea “fits” with actual reality. According to Neuman (2006), the absence of validity occurs if there is poor fit between the constructs a researcher uses to describe, theorize, or analyze the social world and what actually occurs in the social world. Therefore, this research tests

the validity of instrument to confirm that the measure or set of measures accurately represent the concept of study. In this research, two types of validity are tested. The first is content validity, and the second is construct validity.

Content validity is the extent to which the measurement represents the relevant content domain for the construct. In order to test content validity of instrument, each of the items in a questionnaire is subjectively assessed by two academic experts to ensure the content validity.

Construct validity is an agreement between a theoretical concept and a specific measuring instrument or procedure, construct validity is composed of discriminant validity and convergent validity. In order to test the construct validity of instrument, factor analysis is employed by investigating the underlying relationships of a large number of items and determining whether they can be reduced to a smaller set of factors. Convergent validity is the degree to which an operationalization is related other operationalizations that it theoretically should also be related to. In this case, the size of the factor loading is considered. In the case of high convergent validity, high loadings on a factor indicate that they converge on some common points. At a minimum, each of construct is tested all factor loadings should be greater than the 0.40 cut-off and are statistically significant (Nunnally and Berstein, 1994). (See in Appendix B).

*Reliability.* This research assesses the reliability of each construct to assert the degree of consistency between multiple measurements of a variable. The item-to-total correlation and the inter-item (See in Appendix B). Correlation is used to test the internal consistency. The rationale for internal consistency is that the individual items should all be measuring the same construct and thus be highly intercorrelated. In this research, Cronbach's alpha is utilized to check the reliability of the instruments used for each of the constructs measured (Nunnally, 1978). In other words, it is used to measure the internal consistency which should be greater than 0.70 (Nunnally and Berstein, 1994; Hair and others, 2006) (See in Appendix B).

Table 7 presents factor loadings and cronbach's alpha of all variables from thirty firms in the pre-test. The results reveal that each item of all variables is loaded on only one factor. All of the items of each scale load high and significant on single factor. They demonstrate the uni-dimensionality of measure. All variables have factor loadings

score between 0.623-0.910 which are greater than the 0.40 cut-off that recommended by Nunnally and Bernstein (1994) and are statistically significant. Consequently, indicating that there is the construct validity.

The reliability of the measurements was evaluated by Cronbach alpha coefficients. Cronbach alpha coefficients for all variables expressed between 0.715-0.895 that are greater than 0.70 as recommended by Nunnally and Bernstein (1994). Therefore, the reliability of all variables is accepted. In summary before pretesting, all questions are still in the questionnaire with the total of 70 items to be used for collecting data and after pretesting, all questions are still in the questionnaire with the total of 69 items to be used for collecting data (See Table in Appendix C).

### Statistics Techniques

This research uses correlation coefficient and multiple regressions to prove hypotheses. Before hypotheses testing, all of raw data are checked, encoded, and recorded in a data file. Then, the basis assumption of regression analysis is tested. This process involves checking multicollinearity of independent variables.

*Correlation Analysis.* The correlation analysis is used to test correlation among all variables and provide a correlation matrix that shows the intercorrelations among all variables for the initial analysis. This research has two purposes to examine a correlation analysis. Firstly, Pearsons' correlation matrix is used to measure correlation, and direction between two variables, which their coefficient has value between 1 to -1 indicating higher correlation, but if the value gets near 0, it indicates lower correlation, and 0 indicating no relationship. Secondly, correlation analysis is to check the presence of multicollinearity. Multicollinearity is indicated when the inter-correlation between explanatory variables exceeds 0.80 (Hair and others, 2006). This research measures correlation found that resulting correlations are between 0.197-0.788 which is less than 0.80 as recommended by Hair and others (2006). As a result, the multicollinearity problems should not be concerned.

*Variance inflation factor.* According to Mason and Perreault (1991), the evaluation of the variable and interaction effect will be undermined due to problems of

multicollinearity, this research uses a variance inflation factor (VIF) as indicators to indicate a high degree of multicollinearity among the independent variables. A rule of thumb is that when the VIF is equal or greater than 10, problem with multicollinearity are severe (Mason and Perreault, 1991; Stevens, 2002; Burns and Burns, 2008), that is multicollinearity greatly poses a problem for multiple regression such as limit the size of correlation, and increase variances of the regression coefficients (Stevens, 2002). In this research, the VIF scores for all variables expressed between 1.002-6.440 which are below 10. Therefore, there are no substantial multicollinearity problems encountered in this research (Hair and others, 2006).

*Regression analysis.* Regression analysis is the technique for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. The multiple regression analysis is used to test all hypotheses following the conceptual model. Multiple regression analysis is deemed appropriate to examine the relationships between dependent variables and independent variables which all variables are categorical and interval data (Hair and others, 2006). Therefore, the models of the aforementioned relationships are depicted as follows:

$$\text{Equation 1: } SA = \alpha_1 + \beta_1 SIG + \beta_2 SRDO + \beta_3 CSI + \beta_4 PSE + \beta_5 TSM + \beta_6 FE + \beta_7 FS + \varepsilon_1$$

$$\text{Equation 2: } SEf = \alpha_2 + \beta_8 SIG + \beta_9 SRDO + \beta_{10} CSI + \beta_{11} PSE + \beta_{12} TSM + \beta_{13} FE + \beta_{14} FS + \varepsilon_2$$

$$\text{Equation 3: } SE = \alpha_3 + \beta_{15} SIG + \beta_{16} SRDO + \beta_{17} CSI + \beta_{18} PSE + \beta_{19} TSM + \beta_{20} FE + \beta_{21} FS + \varepsilon_3$$

$$\text{Equation 4: } CS = \alpha_4 + \beta_{22} SIG + \beta_{23} SRDO + \beta_{24} CSI + \beta_{25} PSE + \beta_{26} TSM + \beta_{27} FE + \beta_{28} FS + \varepsilon_4$$

$$\text{Equation 5: } SA = \alpha_5 + \beta_{29} SIG + \beta_{30} SRDO + \beta_{31} CSI + \beta_{32} PSE + \beta_{33} TSM + \beta_{34} OAC + \beta_{35}(OAC* SIG) + \beta_{36}(OAC* SRDO) + \beta_{37}(OAC* CSI) + \beta_{38}(OAC* PSE) + \beta_{39}(OAC* TSM) + \beta_{40} FE + \beta_{41} FS + \varepsilon_5$$

$$\text{Equation 6: } SEf = \alpha_6 + \beta_{42} SIG + \beta_{43} SRDO + \beta_{44} CSI + \beta_{45} PSE + \beta_{46} TSM + \beta_{47} OAC + \beta_{48}(OAC* SIG) + \beta_{49}(OAC* SRDO) + \beta_{50}(OAC* CSI) + \beta_{51}(OAC* PSE) + \beta_{52}(OAC* TSM) + \beta_{53} FE + \beta_{54} FS + \varepsilon_6$$

$$\text{Equation 7: } SE = \alpha_7 + \beta_{55}SIG + \beta_{56}SRDO + \beta_{57}CSI + \beta_{58}PSE + \beta_{59}TSM + \beta_{60}OAC + \beta_{61}(OAC* SIG) + \beta_{62}(OAC* SRDO) + \beta_{63}(OAC* CSI) + \beta_{64}(OAC* PSE) + \beta_{65}(OAC* TSM) + \beta_{66}FE + \beta_{67}FS + \varepsilon_7$$

$$\text{Equation 8: } CS = \alpha_8 + \beta_{68}SIG + \beta_{69}SRDO + \beta_{70}CSI + \beta_{71}PSE + \beta_{72}TSM + \beta_{73}OAC + \beta_{74}(OAC* SIG) + \beta_{75}(OAC* SRDO) + \beta_{76}(OAC* CSI) + \beta_{77}(OAC* PSE) + \beta_{78}(OAC* TSM) + \beta_{79}FE + \beta_{80}FS + \varepsilon_8$$

$$\text{Equation 9: } SE = \alpha_9 + \beta_{81}SA + \beta_{82}SEf + \beta_{83}FE + \beta_{84}FS + \varepsilon_9$$

$$\text{Equation 10: } CSa = \alpha_{10} + \beta_{85}SA + \beta_{86}SEf + \beta_{87}SE + \beta_{88}FE + \beta_{89}FS + \varepsilon_{10}$$

$$\text{Equation 11: } CA = \alpha_{11} + \beta_{90}SA + \beta_{91}SEf + \beta_{92}SE + \beta_{93}FE + \beta_{94}FS + \varepsilon_{11}$$

$$\text{Equation 12: } CA = \alpha_{12} + \beta_{95}CSa + \beta_{96}FE + \beta_{97}FS + \varepsilon_{12}$$

$$\text{Equation 13: } FP = \alpha_{13} + \beta_{98}CSa + \beta_{99}CA + \beta_{100}FE + \beta_{101}FS + \varepsilon_{13}$$

$$\text{Equation 14: } CS = \alpha_{14} + \beta_{102}FP + \beta_{103}FE + \beta_{104}FS + \varepsilon_{14}$$

$$\text{Equation 15: } SIG = \alpha_{15} + \beta_{105}GAF + \beta_{106}VEC + \beta_{107}ICL + \beta_{108}CBC + \beta_{109}FE + \beta_{110}FS + \varepsilon_{15}$$

$$\text{Equation 16: } SRDO = \alpha_{16} + \beta_{111}GAF + \beta_{112}VEC + \beta_{113}ICL + \beta_{114}CBC + \beta_{115}FE + \beta_{116}FS + \varepsilon_{16}$$

$$\text{Equation 17: } CSI = \alpha_{17} + \beta_{117}GAF + \beta_{118}VEC + \beta_{119}ICL + \beta_{120}CBC + \beta_{121}FE + \beta_{122}FS + \varepsilon_{17}$$

$$\text{Equation 18: } PSE = \alpha_{18} + \beta_{123}GAF + \beta_{124}VEC + \beta_{125}ICL + \beta_{126}CBC + \beta_{127}FE + \beta_{128}FS + \varepsilon_{18}$$

$$\text{Equation 19: } TSM = \alpha_{19} + \beta_{129}GAF + \beta_{130}VEC + \beta_{131}ICL + \beta_{132}CBC + \beta_{133}FE + \beta_{134}FS + \varepsilon_{19}$$

$$\text{Equation 20: } SIG = \alpha_{20} + \beta_{135}GAF + \beta_{136}VEC + \beta_{137}ICL + \beta_{138}CBC + \beta_{139}CFI + \beta_{140}(CFI* GAF) + \beta_{141}(CFI* VEC) + \beta_{142}(CFI* ICL) + \beta_{143}(CFI* CBC) + \beta_{144}FE + \beta_{145}FS + \varepsilon_{20}$$

$$\text{Equation 21: } SRDO = \alpha_{21} + \beta_{146}GAF + \beta_{147}VEC + \beta_{148}ICL + \beta_{149}CBC + \beta_{150}CFI + \beta_{151}(CFI* GAF) + \beta_{152}(CFI* VEC) + \beta_{153}(CFI* ICL) + \beta_{154}(CFI* CBC) + \beta_{155}FE + \beta_{156}FS + \varepsilon_{21}$$

$$\text{Equation 22: } CSI = \alpha_{22} + \beta_{157}GAF + \beta_{158}VEC + \beta_{159}ICL + \beta_{160}CBC + \beta_{161}CFI + \beta_{162}(CFI* GAF) + \beta_{163}(CFI* VEC) + \beta_{164}(CFI* ICL) + \beta_{165}(CFI* CBC) + \beta_{166}FE + \beta_{167}FS + \varepsilon_{22}$$

$$\text{Equation 23: } PSE = \alpha_{23} + \beta_{168}GAF + \beta_{169}VEC + \beta_{170}ICL + \beta_{171}CBC + \beta_{172}CFI + \beta_{173}(CFI * GAF) + \beta_{174}(CFI * VEC) + \beta_{175}(CFI * ICL) + \beta_{176}(CFI * CBC) + \beta_{177}FE + \beta_{178}FS + \varepsilon_{23}$$

$$\text{Equation 24: } TSM = \alpha_{24} + \beta_{179}GAF + \beta_{180}VEC + \beta_{181}ICL + \beta_{182}CBC + \beta_{183}CFI + \beta_{184}(CFI * GAF) + \beta_{185}(CFI * VEC) + \beta_{186}(CFI * ICL) + \beta_{187}(CFI * CBC) + \beta_{188}FE + \beta_{189}FS + \varepsilon_{24}$$

Where,

SIG	=	Service Innovation Generation
SRDO	=	Service Research and Development Orientation
CSI	=	Continuous Service Improvement
PSE	=	Proactive Service Enhancement
TSM	=	Transformational Service Mindset
SA	=	Service Advantage
SE	=	Service Excellence
SEf	=	Service Effectiveness
CSa	=	Customer Satisfaction
CA	=	Customer Acceptance
FP	=	Firm Performance
CS	=	Corporate Survival
GAF	=	Goal Achievement Focus
VEC	=	Valuable Employee Competency
ICL	=	Intelligent Customer Learning
CBC	=	Complex Business Competition
CFI	=	Corporate Flexibility Implementation
OAC	=	Organizational Adaptation Capability
FE	=	Firm experience
FS	=	Firm Size
$\alpha$	=	Constant
$\beta$	=	Regression Coefficient
$\varepsilon$	=	Error

## Summary

This chapter details the research methods in this research for gathering data and examining all constructs in the conceptual model to answer the research questions. The contents involve the population, sample selection and data collection procedure including population and sample, data collection, and test of non-response bias. The population of this research is all of complete addresses and shows the company registration of all spa businesses in Thailand from the database of the Department of Business Development and Thai Spa Association. Data were collected from 1,020 company registration level day spa businesses in Thailand base on information searched on 12/3/2011. Managing directors or managing partners of each spa business is chosen as a key informant. Moreover, the variable measurements are followed for each of all variables in the conceptual model. In addition, the instrumental verification including the test of validity (content validity, and construct validity) and reliability (Cronbach Alpha) and the statistical analysis is presented. Finally, Table 6 concludes the definition of each construct, operational variables, and scale sources. Following this further, the next chapter will analyze the results and hypotheses testing.

Table 6: Definitions and Operational Variables of Constructs

Construct	Definition	Operational Variables	Scale Source
<b><u>Main Variables</u></b> Service innovation generation	Ability of firm to search for sources and methods in generating the innovation of new service continuously in order to respond to customer's need and can achieve competitive advantage	The analysis of input (i.e. money, time, training, education) for generate or create service innovation	New scale

Table 6: Definitions and Operational Variables of Constructs (continued)

<b>Construct</b>	<b>Definition</b>	<b>Operational Variables</b>	<b>Scale Source</b>
Service research and development orientation	Organization's ability to focus on research and development to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications	Firm focus on research and development (i.e. money, training, education) for create new service	New scale
Continuous service improvement	Ability of organizations to improve services to meet the needs of consumers and to create survival and growth of the business	Business supports service to improve continuously (i.e. money, training) for response customer.	New scale
Proactive service enhancement	Ability of the firm that uses improving services for forward-looking, opportunity-seeking and first mover is faster than competitors and response customer needs and wants	Firm focuses on service and improvement for forward-looking, opportunity-seeking and first mover.	New scale

Table 6: Definitions and Operational Variables of Constructs (continued)

Construct	Definition	Operational Variables	Scale Source
Transformational service mindset	Organization's ability to build credibility to succeed in the long-term change in the concept of service model	Business to focus on indoctrinate by the relative speed of new service introductions, service market-opportunity-seeking behavior and proactive service life-cycle management	New scale
<b><u>Consequence Variables</u></b> Service advantage	A certain service's predominance providing customers' superior than competitors' benefits. These benefits are quality, features, and the capability to satisfy consumer needs and consumers acceptance	Firm can create new service. New service involves superior quality, value, uniqueness, and need fulfillment as the strongest predictors of new product or service success.	Nakata and others (2006)
Service effectiveness	Organizational level of service that will bring success overall market share, profitability, customer satisfaction, customer acceptance and growth of the organization	Firm can create new service. Service effectiveness characteristic involves availability, reliability, and speed of service.	Stank and others (2003)

Table 6: Definitions and Operational Variables of Constructs (continued)

<b>Construct</b>	<b>Definition</b>	<b>Operational Variables</b>	<b>Scale Source</b>
Service excellence	Service features greatness, best, and superiority than the competition and beyond expectations of the customer	Firm can create new service. Service excellence characteristic involves greatness, best, and superiority.	Wiertz and others (2004)
Customer satisfaction	A person's feelings of pleasure resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations	Customer satisfaction is assessed by four characteristic: reach customer expectation, continuous service improvement, less attention to competing service, less sensitive to price.	Wang, Lo, and Yang, (2004)
Customer acceptance	That concerns the degree of customers' feedback and customer's point of view to provide valuable product, service and information	Customer acceptance is assessed by they were satisfied with their purchases and whether the product/service quality is trustworthy that customers have positive impressions of products/service.	New scale

Table 6: Definitions and Operational Variables of Constructs (continued)

<b>Construct</b>	<b>Definition</b>	<b>Operational Variables</b>	<b>Scale Source</b>
Firm Performance	Firm focus on firm's reputation for developing new service, added value for customers, maintain and motivate old customers and create a means of attracting new customer	Firm Performance is assessed by market share, sale growth, acquiring new customers, increasing sales to existing customer.	Vorhies and Morgan, (2005)
<b><u>Antecedent Variables</u></b> Goal achievement focus	Firms direct their followers towards achieving organizational purposes by articulating the organization's mission, vision, strategy to their goals	Goal achievement focus reflects organizational leaders direct followers towards achieving organizational purposes by articulating the organization's mission, vision, strategy, and goals.	Zaccaro and Klimoski, (2001)
Valuable employee competency	Ability of employees about customer predictions, searching the information of occurrence / or behavioral to used of service, need and want of customers by conducting market research, awareness of customer complaint through improved communication system inter- organization that can create new service strategy	Firm focuses on knowledge of employee to predict customer need, searching the information, improved communication system inter- organization that can create new service strategy.	New scale

Table 6: Definitions and Operational Variables of Constructs (continued)

<b>Construct</b>	<b>Definition</b>	<b>Operational Variables</b>	<b>Scale Source</b>
Intelligent customer learning	Ability of organization to know about service that customer accustomed to using or experiencing of service in the past by focusing on learning process through information that the customers receive from their friends hearsay, purchase, use, and word-of-mouth and the data of competitor for improving and developing new service create high customer satisfaction in service	Intelligent customer learning characteristic involves information that the customers receive from they friends hearsay, purchase, use, and word-of-mouth and the data of competitor.	New scale
Complex business competition	The heterogeneity, diversity, uncertainty, instability of business competition components	Complex business competition characteristic involves competitor, new entry, supplier, and substitute.	New scale

Table 6: Definitions and Operational Variables of Constructs (continued)

<b>Construct</b>	<b>Definition</b>	<b>Operational Variables</b>	<b>Scale Source</b>
<b><u>Moderating Variables</u></b> Corporate flexibility Implementation	Organizations use organization's ability to change both economically and effectively given a certain capacity in order to response change environment.	Corporate flexibility Implementation characteristic involves technology flexibility, operational flexibility, routing flexibility, product or service variety flexibility, and service volume flexibility.	New scale
Organizational adaptation capability	The specific capability of the firm to adjust and response successfully to environmental change	Organizational adaptation capability characteristic involves flexibility, resilience, agility, and versatility.	New scale
<b><u>Dependent Variable</u></b> Corporate survival	The increasing high income from operating, obtaining the high profit from investment, having high progress from good service sale, and being able to maintain market share	Corporate survival is assessed by increasing high income from operating, obtaining the high profit from investment, having high progress from good service sale, and being able to maintain market share, etc.	New scale

Table 6: Definitions and Operational Variables of Constructs (continued)

Construct	Definition	Operational Variables	Scale Source
<b><u>Control Variables</u></b> Firm experience	Number of years that firm has been in operation	Dummy variable 0 = 5 years or less, 1 = more than 5 years	Chen and Huang, (2009)
Firm size	Number of employees	Dummy variable 0 = 15 employees or less than, 1 = more than 15 employees	Delmotte and sel, 2008

## CHAPTER IV

### RESULTS AND DISCUSSION

This chapter presents the analyses of the survey data and the results of hypotheses testing which are organized into three major sections. Firstly, the respondent characteristics are expressed. Secondly, the hypotheses testing and results are detailed. Finally, the summary of hypotheses testing is included Table 14.

#### **Respondent Characteristics and Firm Characteristics**

For this research, spa businesses in Thailand are the unit of analysis. A questionnaire mail survey is used for data collection. The questionnaires are sent to 1,020 firms; 245 surveys were undeliverable. The valid mailing was 775 surveys. 194 questionnaires were returned, ten of them are found incomplete. The response rate is representing 184 usable responses (23.74 %). The managing directors or managing partners of businesses are key informants because they can provide the reality of information and truly understand their businesses. Therefore, the details of respondent characteristics are presented as follows.

#### Respondent Characteristics

Table 7 below shows the demographic characteristics of respondents. It includes gender, age, marital status, education level, working experiences, average monthly income and current working position. In this research, the respondent is managing director or managing partner of each firm.

Most of respondents are female (77.72 percent) which the span of ages is both of between 35 to 40 and more than 45 years old (30.43 percent) and married (48.36 percent). Their education levels are mostly bachelor's degrees or under (73.36 percent). Approximately 41.84 percent of respondents have working experiences between 5 to 10 years. Most of respondents receive the average monthly income between 30,000 - 45,000 Baht (33.69 percent). Finally, the majority of the positions of respondents are managing directors (60.32 percent).

Table 7: Demographic Characteristics of Respondents

Description	Categories	Frequencies	Percent (%)
Gender	Male	41	22.28
	Female	143	77.72
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Age	Less than 35 years old	41	22.28
	35 - 40 years old	56	30.43
	41 - 45 years old	31	16.86
	More than 45 years old	56	30.43
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Marital status	Single	72	39.13
	Married	89	48.36
	Divorced	23	12.51
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Education level	Bachelor's degree or lower	135	73.36
	Higher than Bachelor's degree	49	26.64
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Working experiences	Less than 5 years	30	16.30
	5 - 10 years	77	41.84
	11 - 15 years	22	11.95
	More than 15 years	55	29.91
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Average monthly income	Less than 30,000 Baht	37	20.10
	30,000 - 45,000 Baht	62	33.69
	45,001 - 60,000 Baht	26	14.13
	More than 60,000 Baht	59	32.08
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Current working position	Managing director	111	60.32
	Managing partner	73	39.68
	<b>Total</b>	<b>184</b>	<b>100.00</b>

### Firm Characteristics

Table 8 below presents the main characteristics of 184 spa businesses in Thailand. It consists of form of business, activity of business, firm experience, firm size, firm capital, average business revenue per year, awarded of management and outstanding quality and core customers using the service.

Most forms of business are limited company (66.30 percent) and 1 activity of business (64.67 percent). Operational years are between 5 to 10 years (63.58 percent). The majority of the number of company employees are less than 15 employees (64.67 percent) with current operation capital is between 5,000,000 to 10,000,000 Bath (39.13 percent). Average business revenue per year is less than 5,000,000 Bath (55.97 percent). In terms of winning award, 64.14 percent of them have never been awarded in management and outstanding quality. The majority of core customers using the service are foreigners (59.24 percent).

Table 8: Results of Firm Characteristics

<b>Description</b>	<b>Categories</b>	<b>Frequencies</b>	<b>Percent (%)</b>
Forms of Business	Limited company	122	66.30
	Limited partnership	62	33.70
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Activities of Business	1 activity	119	64.67
	2 activities	44	23.91
	3 activities	21	11.42
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Firm Experience	Less than 5 years	42	22.82
	5 - 10 years	117	63.58
	11 - 15 years	23	12.50
	More than 15 years	2	1.10
	<b>Total</b>	<b>184</b>	<b>100.00</b>

Table 8: Results of Firm Characteristics (continued)

<b>Description</b>	<b>Categories</b>	<b>Frequencies</b>	<b>Percent (%)</b>
Firm Size	Less than 15 employees	119	64.67
	15 - 20 employees	27	14.67
	21 - 30 employees	6	3.26
	More than 30 employees	32	17.40
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Firm Capital	Less than 5,000,000 Baht	69	37.50
	5,000,000 - 10,000,000 Baht	72	39.13
	10,000,001 - 15,000,000 Baht	27	14.67
	More than 15,000,000 Baht	16	8.70
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Average business revenue per year	Less than 5,000,000 Baht	103	55.97
	5,000,000 - 10,000,000 Baht	46	25.00
	10,000,001 - 15,000,000 Baht	21	11.41
	More than 15,000,000 Baht	14	7.62
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Awards of management and outstanding quality	Has been awarded	66	35.86
	Never been awarded	118	64.14
	<b>Total</b>	<b>184</b>	<b>100.00</b>
Core customer using services	Domestic customers	75	40.76
	Foreign customers	109	59.24
	<b>Total</b>	<b>184</b>	<b>100.00</b>

### Hypothesis Testing and Results

The correlation matrix for all variables used in the regression analysis is shown in Table 9 consisting of (1) dynamic service strategy, which includes the 5 dimensions: service innovation generation (SIG), service research and development orientation (SRDO), continuous service improvement (CSI), proactive service enhancement (PSE), and transformational service mindset (TSM), (2) consequences of dynamic service

strategy, which includes 7 variables: service advantage (SA), service effectiveness (SEf), service excellence (SE), customer satisfaction (CSa), customer acceptance (CA), firm performance (FP), and corporate survival (CS), (3) antecedents of dynamic service strategy, which includes 4 variables: goal achievement focus (GAF), valuable employee competency (VEC), intelligent customer learning (ITL), and complex business competition (CBC), (4) moderators which they are corporate flexibility implementation (CFI), and organizational adaptation capability (OAC) demonstrate in Table 9. Accordingly, Pearson correlation coefficient values in Table 9 indicate that there are linear relationships between the two variables (Weinberg and Abramowitz, 2008). The results of the correlation analysis of most relations of the variables from Table 9 are high (0.197-0.788), positive direction and highly significant to each others. The evidence suggests that there are the intercorrelations among independent variables which are less than 0.80 as recommended by Hair and others (2010), meaning each variable is not high correlated with each other. As a result, the sign of multicollinearity problems may not occur. However, generally accepted levels of multicollinearity are diagnoses using by variance inflation factors (VIF) (Hair and others, 2010) to be described in the next part.

#### Effects of dynamic service strategy on consequences

With regard to potential problems relating to multicollinearity, variance inflation factors (VIF)'s are used to test the intercorrelations among five dimensions of dynamic service strategy which they consist of service advantage (SA), service effectiveness (SEf), service excellence (SE), and corporate survival (CS). The maximum variance inflation factors (VIF) within the model was 3.112, which was well below the rule-of-thumb cut-off 10 (Hair and others, 2010), that is, multicollinearity does not greatly influence the magnitude of parameter estimates (Eye and Schuster, 1998). Consequently, there are no significant multicollinearity problems confronted in this research.

Table 9: Correlation Matrix for all Construct

Variables	SIG	SRDO	CSI	PSE	TSM	SA	Sef	SE	Csa	CA	FP	CS	GAF	VEC	ICL	CBC	CFI	OAC
Mean	3.930	3.747	3.731	3.739	3.882	3.502	3.608	3.553	3.891	3.748	3.296	3.653	3.862	3.932	3.785	3.735	3.718	3.947
SD.	0.566	0.606	0.617	0.581	0.587	0.617	0.607	0.672	0.605	0.628	0.725	0.666	0.61	0.688	0.634	0.588	0.561	0.648
SIG																		
SRDO	.588***																	
CSI	.638***	.718***																
PSE	.515***	.624***	.639***															
TSM	.442***	.573***	.684***	.697***														
SA	.416***	.516***	.474***	.472***	.499***													
Sef	.385***	.575***	.574***	.553***	.553***	.635***												
SE	.456***	.490***	.473***	.452***	.466***	.661***	.773***											
Csa	.320***	.274***	.337***	.254***	.251***	.437***	.457***	.582***										
CA	.349***	.354***	.410***	.385***	.337***	.609***	.577***	.610***	.737***									
FP	.285***	.343***	.350***	.416***	.446***	.424***	.458***	.540***	.458***	.507***								
CS	.423***	.418***	.448***	.404***	.436***	.579***	.574***	.687***	.746***	.742***	.704***							
GAF	.327***	.439***	.422***	.511***	.492***	.494***	.581***	.603***	.500***	.524***	.567***	.592***						
VEC	.384***	.496***	.496***	.527***	.600***	.445***	.578***	.533***	.481***	.481***	.473***	.551***	.788***					
ICL	.308***	.450***	.332***	.535***	.451***	.441***	.571***	.506***	.347***	.495***	.504***	.459***	.670***	.672***				
CBC	.329***	.257***	.244***	.302***	.332***	.333***	.276***	.307***	.369***	.436***	.197***	.318***	.406***	.370***	.330***			
CFI	.488***	.416***	.408***	.542***	.490***	.473***	.490***	.530***	.418***	.517***	.520***	.520***	.622***	.615***	.736***	.432***		
OAC	.329***	.257***	.244***	.302***	.332***	.333***	.276***	.307***	.322***	.464***	.514***	.550***	.617***	.604***	.566***	.539***	.736***	

\*\*\* p&lt;.01

To examine the relationships between dimensions of dynamic service strategy (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset) and service advantage, service effectiveness, service excellence, and corporate survival, Figure 3 depicts these relationships based on Hypotheses 1a-d, 2a-d, 3a-d, 4a-d, and 5a-d. This research proposes that dimensions of dynamic service strategy are positive influence on service advantage, service effectiveness, service excellence, and corporate survival. These hypotheses are analyzed from the regression Equations 1, 2, 3, and 4 according with Chapter 3.

In Table 10, the results of hierarchical regression analysis are exhibited which are the relationships between dimension of dynamic service strategy and service advantage, service effectiveness, service excellence, and corporate survival. Based on the procedure which are suggested by Weinberg and Abramowitz (2008) for regression analysis using interaction terms, the variables were entered into the regression equation in three steps, the control variables were entered in the first step, the independent variables and the moderator variables were added in the second step, and the interaction terms obtained by multiplying the moderator variables by the independent variables were added in the third step. In addition, the variance inflation factors (VIF)'s used to examine the issue of multicollinearity. In the testing of intercorrelations among five dimensions of dynamic service strategy, the VIF ranges from 1.002 to 3.112 well below the rule-of-thumb cut-off 10 (Eye and Schuster, 1998; Hair and others, 2010). Accordingly, there are no significant multicollinearity problems confronted in this research.

Table 10: Results of Regression Analysis of Influence of Dynamic Service Strategy on its Consequence and Corporate Survival and the Moderating Effect of Organizational Adaptation Capability <sup>a</sup>

Variables	SA			Sef			SE			CS		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
<b>SIG</b>		.117 (.083)	.064 (.089)		-.064 (.078)	-.076 (.084)		.189** (.084)	.155* (.090)		.175*** (.067)	.131 (.088)
<b>SRDO</b>		.260*** (.095)	.293*** (.097)		.265*** (.089)	.271*** (.092)		.215** (.096)	.236** (.098)		.037 (.077)	.067 (.095)
<b>CSI</b>		-.006 (.108)	-.033 (.110)		.209** (.101)	.204** (.105)		.005 (.109)	-.022 (.112)		.131 (.087)	.097 (.109)
<b>PSE</b>		.080 (.095)	.001 (.101)		.199** (.088)	.161* (.096)		.066 (.095)	.001 (.103)		-.058 (.077)	-.054 (.100)
<b>TSM</b>		.244** (.096)	.197** (.100)		.130 (.089)	.166* (.095)		.215** (.096)	.171* (.101)		.006 (.079)	.059 (.098)
<b>FP</b>											.611*** (.057)	
<b>OAC</b>			.215*** (.081)			-.002 (.077)			.187** (.083)			.395*** (.080)
<b>SIGxOAC</b>			-.011 (.087)			-.081 (.082)			.008 (.088)			-.066 (.086)
<b>SRDOxOAC</b>			-.018 (.096)			-.069 (.091)			-.013 (.097)			-.131 (.095)
<b>CSIxOAC</b>			.159 (.114)			.034 (.108)			.099 (.115)			.150 (.112)
<b>PSExOAC</b>			.002 (.105)			-.026 (.100)			.035 (.106)			.170 (.103)
<b>TSMxOAC</b>			-.087 (.107)			.146 (.101)			-.075 (.108)			-.165 (.105)
<b>FE</b>	.145 (.176)	.057 (.148)	-.009 (.152)	.042 (.177)	-.044 (.138)	-.032 (.144)	-.113 (.176)	-.178 (.149)	-.249 (.154)	.338* (.175)	.262* (.120)	.215 (.150)
<b>FS</b>	.076 (.155)	.037 (.129)	.054 (.132)	.019 (.155)	-.022 (.121)	-.025 (.125)	.195 (.154)	.147 (.130)	.166 (.134)	-.086 (.154)	.016 (.105)	-.065 (.130)
<b>Adjusted R<sup>2</sup></b>	-.006	.316	.330	-.011	.397	.404	.000	.307	.312	.011	.553	.349
<b>Maximum VIF</b>	1.002	0.3112	3.905	1.002	3.112	3.905	1.002	3.112	3.905	1.002	3.112	3.905

\* p< .10, \*\*p< .05, \*\*\*p<.01 <sup>a</sup> Beta coefficients with standard error in parenthesis

Accordingly, Table 10 presents the results of analyses for dynamic service strategy (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset), and service advantage, service effectiveness, service excellence, and corporate survival (Hypotheses 1a-d, 2a-d, 3a-d, 4a-d, and 5a-d). In addition, Table 10 presents the results of analyses for firm performance and corporate survival (Hypotheses 11). Unstandardized coefficients, with standard errors in parentheses are reported. The first dimension of dynamic service strategy is service innovation generation. As proposed, service innovation generation has a positive influence on service advantage, service effectiveness, service excellence, and corporate survival. The results show that, service innovation generation has an influence on service excellence ( $\beta_{15} = .189, p < .05$ ;  $\beta_{55} = .155, p < .10$ ). This result according to prior studies suggests that innovation orientation is a key driver for the company's ability to overcome obstacles, create something beyond the expectations of our customers and be successful in long term (Hurley and Hult, 1998; Zhou, Gao, and Zhou, 2005). Thus, the generation of service innovation to build the capacity of organizations creates a service that exceeds customer expectations. Reuver and Bouwman (2011) explained that the dynamics of service innovation refers to the relevant measures of performance that will change over time. For example, an increase in customers since the service is above expectations. Therefore, ***Hypothesis 1c is supported.*** In addition, service innovation generation has an influence on corporate survival ( $\beta_{22} = .175, p < .01$ ). This result according to prior studies suggests that innovation orientation is the most important strategic because it is a way for companies to achieve long term success (Berthon and others, 1999; Deshpande and others, 1993; Hurley and Hult, 1998; Noble and others, 2002). Thus, the generation of service innovation to build the capacity of organizations creates a service that builds corporate survival. Therefore, ***Hypothesis 1d is supported.***

Surprisingly, service innovation generation has not an influence on service advantage ( $\beta_1 = .117, p > .10$ ;  $\beta_{29} = .064, p > .10$ ) and service effectiveness ( $\beta_8 = -.064, p > .10$ ;  $\beta_{42} = -.076, p > .10$ ). This result according to prior studies suggests that the life cycle of an innovative new service will make it possible to develop a service advantage and improve a service effectiveness in the short term because of the service can be copied easily (Tidd and others, 2001). Thus, service firms use development to create

service advantage and improvement to create service effectiveness in the short term rather than generating service innovation. Therefore, ***Hypotheses 1a and 1b are not supported.***

Secondly, Table 10 relates to service research and development orientation. As proposed, service research and development orientation has a positive influence on service advantage, service effectiveness, service excellence, and corporate survival. The results finding, service research and development orientation that has an influence on service advantage ( $\beta_2 = .260, p < .01$ ;  $\beta_{30} = .293, p < .01$ ). This result according to prior studies suggests that the increase in research and development of organizational is knowledge creation. Therefore, the organization that uses existing knowledge to build a service differentiates over their competitors Chan and others (1990). O'Brien (2003) explained that firms that invest heavily in R&D are more likely to compete the basis of competitive advantage in short term. Therefore, ***Hypothesis 2a is supported.*** However, the results finding, service research and development orientation that has an influence on service effectiveness ( $\beta_9 = .265, p < .01$ ;  $\beta_{43} = .271, p < .01$ ). The result is similar to Lin, Lee, and Hung (2006) that focus on research and development continues to guide the firm will be to gain service effectiveness. R&D intensity of a firm signifies the strategic importance of effectiveness and competitive advantage. Chan and others (1990) explained that the increase in research and development of organizational is knowledge creation. Therefore, the organization that uses existing knowledge to build effective organizations establishes service effectiveness over their competitors. Therefore, ***Hypothesis 2b is supported.*** Moreover, the results finding, service research and development orientation that has an influence on and service excellence ( $\beta_{16} = .215, p < .05$ ;  $\beta_{56} = .236, p < .05$ ). The result is similar to Lin, Lee, and Hung (2006) who explained that the increase in research and development of the firm will affect the things that exceed the expectations of customers in the future and result in an increase in the performance of the firm. Chan and others (1990) explained that the increase in research and development of organizational is knowledge creation. Therefore, the organization that uses existing knowledge to create something that exceeds the expectations of our customers. Therefore, ***Hypothesis 2c is supported.*** Thus, the result suggests that organizations that focus on research and development will affect the performance or the goals of the organization.

Surprisingly, service research and development orientation has no effect on corporate survival ( $\beta_{23} = .037, p > .10$ ;  $\beta_{69} = .067, p > .10$ ). The result is similar to Lin, Lee, and Hung (2006) that focus on research and development continues to guide the firm will be to gain a competitive advantage. R&D intensity of a firm signifies the strategic importance of effectiveness and competitive advantage. Although a high level of R&D intensity does not guarantee the generation of survival of firm. Therefore, ***Hypothesis 2d is not supported.***

As aforementioned, research and development is essential for the creation of organizational knowledge and applying that knowledge to create effectiveness and build competitive advantage and create something that exceeds the expectations of our customers. Thus, spa businesses focus on service research and development which focus on knowledge creation and use knowledge to create service effectiveness and create service advantage and create service excellence.

Thirdly, Table 10 relates to continuous service improvement. As proposed, continuous service improvement has a positive influence on service advantage, service effectiveness, service excellence, and corporate survival. As a consequence of continuous service improvement, the findings illustrate continuous service improvement that has an influence on service effectiveness ( $\beta_{10} = .209, p < .05$ ;  $\beta_{44} = .204, p < .05$ ). This result according to prior studies suggests that the use of continuous improvement in the production business will result in an advantage in the competition from the emergence of innovation. Conversely, the service business will result in service effectiveness but with no effect on service advantage. For this reason, the new service is easier to imitate than to innovate new products because the new service is due to capabilities and experience of employees but innovation or new product is due to capability, knowledge, skill, and experience of employees and high investment (Wu and Chen, 2006). Wu and Chen, (2006) explained that continuous improvement will increase organizational effectiveness and high effectiveness of organization will create service effectiveness over competitor. Therefore, ***Hypothesis 3b is supported.***

Surprisingly, continuous service improvement has no effect on service advantage ( $\beta_3 = -.006, p > .10$ ;  $\beta_{31} = -.033, p > .10$ ). The result in this research is similar to Zollo and Winter (2002) they found that the continuous improvement of services will affect the effective of the service, but does not affect the advantage of the service. Wu

and Chen, (2006) explained that continuous improvement involve organizational effectiveness and service effectiveness. Service differentiates arising from the application of existing knowledge to develop (Zollo and Winter, 2002). Therefore, ***Hypothesis 3a is not supported.*** However, continuous service improvement has no effect on service excellence ( $\beta_{17} = .005, p > .10$ ;  $\beta_{57} = -.022, p > .10$ ). This result according to prior studies suggests that businesses should use a system of continuous improvement to ensure the effectiveness, but it will not build up an excellent long-term (Kuang, 2004). Kuang (2004) explained that continuous improvement cannot be directly effect on service excellence but can be directly effect on service effectiveness and if service effectiveness is higher than competitors. Service effectiveness has above customer expectation. Therefore, ***Hypothesis 3c is not supported.*** Moreover, continuous service improvement has no effect on corporate survival ( $\beta_{24} = .131, p > .10$ ;  $\beta_{70} = .097, p > .10$ ). This result according to prior studies suggests that the use of continuous improvement cannot be directly related to survival but to increase performance of firm (Easton and Jarrell, 1998; Wu and Chen, 2004) may look like it is successful, but it cannot be sustained (Sberman, Repenning, and Kofman, 1997). Zollo and Winter (2002) explained that continuous process improvement in an organization will affect the competitive advantage of the increased innovation resulting in the performance and survival of the firm. On the other hand, continuous service improvement in service firm cannot be affect survival of the firm for this reason, the new service is easier to imitate than to innovate new products because the new service is due to capabilities and experience of employees but innovation or new product is due to capability, knowledge, skill, and experience of employees and high investment. Therefore, ***Hypothesis 3d is not supported.***

As aforementioned, spa business is a service firm. Thus, spa businesses focus continuous service improvement which focuses on improving services for service effectiveness.

Fourth is the dimension of dynamic service strategy. Table 10 relates to proactive service enhancement. As proposed, proactive service enhancement has a positive influence on service advantage, service effectiveness, service excellence, and corporate survival. As a consequence of proactive service enhancement, the findings illustrate proactive service enhancement that has an influence on service effectiveness

( $\beta_{11} = .199, p < .05$ ;  $\beta_{45} = .166, p < .10$ ). This result according to prior studies suggests that proactive service enhancement related to improving the effectiveness of the service quickly to find opportunities to enter the market before competitors. Thus, its involved improving service attributes identified as leveragability strength, high priority improvement, low priority improvement, and maintain of customer relations (Chen, WU, and WU, 2006). Lee and Peterson (2000) explained that firms improve service to focus on finding opportunities to find ways to get equity market before competitors enter the market before a competitor to the effectiveness of the organization and use effectiveness of existing organizations for customer satisfaction. Therefore, ***Hypothesis 4b is supported.***

Surprisingly, proactive service enhancement has no effect on service advantage ( $\beta_4 = .080, p > .10$ ;  $\beta_{32} = .001, p > .10$ ), service excellence ( $\beta_{18} = .066, p > .10$ ;  $\beta_{58} = .001, p > .10$ ), and corporate survival ( $\beta_{25} = -.058, p > .10$ ;  $\beta_{71} = -.054, p > .10$ ). Because, Lee and Peterson (2000) and Chen, WU, and WU (2006) explained that the optimization of the service to search for opportunities that leads the market will result in an increase in the effectiveness of services. For such reasons, proactive service enhancement has no influence on service advantage, service excellence, and corporate survival. Therefore, ***Hypothesis 4a, 4c, and 4d is not supported.***

As aforementioned, spa businesses focus on proactive service enhancement that focus on improve service to focus on finding opportunities to find ways to get equity market before competitors enter the market before a competitor to the effectiveness of the organization and use effectiveness of existing organizations for customer satisfaction.

Last is dimension of dynamic service strategy. Table 10 relates to transformational service mindset. As proposed, transformational service mindset has a positive influence on service advantage, service effectiveness, service excellence, and corporate survival. The results show that transformational service mindset has an influence on service advantage ( $\beta_5 = .244, p < .05$ ;  $\beta_{33} = .197, p < .05$ ). This result according to prior studies suggests that transformational is an appropriate strategy for the organization that leads to the creation of competitive advantage (Dubé and Morin, 2001). Therefore, ***Hypothesis 5a is supported.*** However, transformational service mindset has a positive influence on service effectiveness ( $\beta_{46} = .166, p < .10$ ). The result

is similar to Sharma and Stafford (2000) that transformational is an appropriate strategy for the organization that leads to the creation of competitive advantage and increases the effective of the work. Therefore, ***Hypothesis 5b is supported.*** Moreover, transformational service mindset has a positive influence on service excellence ( $\beta_{19} = .215, p < .05$ ;  $\beta_{59} = .171, p < .10$ ). This result according to prior studies suggests that transformational is an appropriate strategy for the organization that leads to the creation of competitive advantage and creates something that exceeds the expectations of our customers (Beverland and others, 2006). Thus, transformational is an appropriate strategy for the organization that leads to the creation of service excellence. Therefore, ***Hypothesis 5c is supported.*** This result suggests that organizations that focus on transformational will affect the performance or the goals of the organization.

Surprisingly, transformational service mindset has no effect on corporate survival ( $\beta_{26} = .006, p > .10$ ;  $\beta_{72} = .059, p > .10$ ). This result according to prior studies suggests that valuable innovations often arise from changes in the form of organization to suit the changing environment. Thus, an organization seeks to change to be successful in responding to the needs of our customers (Gronroos and Ojasalo, 2004). Thus, the transformation in response to changes in the quickly changing environment will affect the rise of competitive advantage and create a performance that exceeds expectations of our customers. Therefore, ***Hypothesis 5d is not supported.***

As aforementioned, spa businesses focus on transformational service mindset that focuses on changing pattern of service in order to respond to the changing environment to create a service advantage and increase service effectiveness and service excellence to respond customer needs.

In summary, these findings suggest that the firms with high service research and development orientation with the transformational service mindset tend to gain greater service advantage. However, the firms with high service research and development orientation, continuous service improvement, proactive service enhancement and the transformational service mindset tend to gain greater service effectiveness. Moreover, the firms with high service innovation generation, service research and development orientation and the transformational service mindset tend to gain greater service excellence. Also, firms with high service innovation generation tend to gain greater of corporate survival.

In addition, Figure 6 and Table 10 relates to firm performance. As proposed, firm performance has a positive influence on corporate survival. As a consequence of firm performance, the findings illustrate firm performance that has an influence on corporate survival ( $\beta_{102} = .611, p < .01$ ). This result according to prior studies suggests the firms with high firm performance tend to gain greater corporate survival. The result is similar to Liu, Chen and Tsai (2005); they described the survival of the organization arising from the operation continues to rise as a result of the adoption of a customer to come back to buy the product or service. Storey and Kelly (2001) explained that operations of the organization has affect on survive, organizations need to have an operation to increase steadily as a result of the organization to create a product or service beyond the expectations of customers, which enables customers' acceptance come back to buy the product or service. Griffin and Page (1996) explained that appropriate strategies can be adopted, which enables higher performance and higher business performance continues to enable organizations to survive in the long term and create a sustained competitive advantage. Therefore, ***Hypothesis 11 is supported.***

As aforementioned, spa business is a service firm. Thus, spa businesses focus on appropriate strategies that can be adopted, which enables higher performance in order to build corporate survival in long term.

In summary, these findings suggest that firms with high firm performance tend to gain greater of corporate survival. Additionally, two control variables including firm experience and firm size have no statistically significant influences on service advantage ( $\beta_6 = .057, p > .10$ ;  $\beta_7 = .037, p > .10$ ), service effectiveness ( $\beta_{13} = -.044, p > .10$ ;  $\beta_{14} = -.022, p > .10$ ), service excellence ( $\beta_{20} = -.178, p > .10$ ;  $\beta_{21} = .147, p > .10$ ). Therefore, the relationships among service advantage, service effectiveness, and service excellence do not affect the influences of control variables. Interestingly, firm experience has statistically significant influences on corporate survival ( $\beta_{27} = .262, p < .10$ ). This can interpret that the period of time in operation more than 5 years affects corporate survival whereas that less than 5 years does not. On the other hand, firm size has no statistically significant influences on corporate survival ( $\beta_{28} = .016, p > .10$ ).

Moderating Effects of Organizational Adaptation Capability on Dynamic Service Strategy and Service Advantage, Service Effectiveness, Service Excellence, and Corporate Survival Relationship

Figure 9 and Table 10 provide the moderating effects (Hypotheses 20a-d, 21a-d, 22a-d, 23 a-d, and 24a-d) of organizational adaptation capability on the relationships among dynamic service strategy and service advantage, service effectiveness, service excellence, and corporate survival. This research assumes that dynamic service strategy is related with service advantage, service effectiveness, service excellence, and corporate survival by organizational adaptation capability positive strengthening the relationship between dynamic service strategy and service advantage, service effectiveness, service excellence, and corporate survival. In Table 13, the results of analyses involve with control variables, dimensions of dynamic service strategy, and interaction term, organizational adaptation capability which is treated on a positive association with service advantage ( $\beta_{34} = .215, p < .01$ ), service excellence ( $\beta_{60} = .187, p < .05$ ), and corporate survival ( $\beta_{73} = .395, p < .01$ ). Organizational adaptation capability seems to be an independent variable that it has a direct effect on service advantage, service excellence, and corporate survival. However, when organizational adaptation capability is treated as a moderator; it has no effect on the dynamic service strategy- service advantage, service effectiveness, service excellence, and corporate survival relationships. For example, organizational adaptation capability has no effect on the relationships between service innovation generation-service advantage relationship ( $\beta_{35} = -.011, p > .10$ ), service research and development orientation-service advantage relationship ( $\beta_{36} = -.081, p > .10$ ), continuous service improvement-service advantage relationship ( $\beta_{37} = .159, p > .10$ ), proactive service enhancement-service advantage relationship ( $\beta_{38} = .002, p > .10$ ), and transformational service mindset-service advantage relationship ( $\beta_{39} = -.087, p > .10$ ). The results are inconsistent with Lee (2001) who suggested that the success of firm will be achieved if firms modify organization's ability to keep pace with the changing environment. Conversely, a strategic management perspective is firm's ability to adapt to the changing environment to succeed and establish a competitive advantage (Hitt, Ireland and Hoskison, 2005). Thus, organizational adaptation capability is strategy of firm. Therefore, ***Hypotheses 20a-d, 21a-d, 22a-d, 23a-d, and 24a-d are not supported.***

In summary, organizational adaptation capability has no moderating effects of the relationship among dynamic service strategy and service advantage, service effectiveness, service excellence, and corporate survival. In contrast, it has a direct impact on service advantage, service excellence, and corporate survival.

Additionally, two control variables including firm experience and firm size have no statistically significant influences on service advantage ( $\beta_{40} = -.009$ ,  $p > .10$ ;  $\beta_{41} = .054$ ,  $p > .10$ ), service effectiveness ( $\beta_{53} = -.032$ ,  $p > .10$ ;  $\beta_{54} = -.025$ ,  $p > .10$ ), service excellence ( $\beta_{66} = -.249$ ,  $p > .10$ ;  $\beta_{67} = .166$ ,  $p > .10$ ), and corporate survival ( $\beta_{79} = .215$ ,  $p > .10$ ;  $\beta_{80} = -.065$ ,  $p > .10$ ) by the moderating effects of organizational adaptation capability. Therefore, the relationship service advantage, service effectiveness, service excellence, and corporate survival do not affect the influences of control variables.

Table 11: Results of Regression Analysis of Influence of Service Advantage, Service Effectiveness, and Service Excellence on Customer Satisfaction and Customer Acceptance <sup>a</sup>

Variables	SE		Csa		CA	
	Model 11	Model 12	Model 13	Model 14	Model 15	Model 16
<b>SA</b>		.288*** (.057)		.078 (.082)		.314*** (.075)
<b>Sef</b>		.590*** (.057)		-.047 (.096)		.138 (.089)
<b>SE</b>				.588*** (.100)		.308*** (.093)
<b>FE</b>	-.113 (.176)	-.179 (.104)	.229 (.175)	.286** (.141)	.280 (.175)	.264** (.130)
<b>FS</b>	.195 (.154)	.162 (.092)	-.252 (.154)	-.372 (.124)	-.094 (.154)	-.180 (.114)
<b>Adjusted R2</b>	.000	.649	.012	.369	.005	.461
<b>Maximum VIF</b>	1.002	1.685	1.002	2.914	1.002	2.914

\*\*p< .05, \*\*\*p<.01 <sup>a</sup> Beta coefficients with standard error in parenthesis

Influences of Service Advantage, Service Effectiveness, and Service Excellence on Customer Satisfaction and Customer Acceptance

Figure 4 exhibits the relationships among service advantage, service effectiveness, and service excellence on customer satisfaction and customer acceptance based on Hypotheses 6a-c, 7a-c, 8a-b. The results of multiple regression analysis of the relationships among service advantage, service effectiveness, and service excellence on customer satisfaction and customer acceptance are provided in Table 11. This research assumes that service advantage and service effectiveness are related with service excellence. In addition, this research assumes that service advantage, service effectiveness, and service excellence are related with customer satisfaction and customer acceptance. As a consequence of service advantage, the findings illustrate service advantage that has an influence on service excellence ( $\beta_{81} = .288, p < .01$ ) This result according to prior studies suggests that the increasing continuously quality of the service or service differentiate will affect on customer satisfaction through service excellence because, excellence in service means something beyond the expectations of our customers (Fisk and others, 1993; Brady, Cronin, and Brand 2002). Thus, the increasing continuously quality of the service or service differentiate has higher than competitor to something beyond the expectations of our customers. Therefore, ***Hypothesis 6a is supported.*** However, service advantage that has an influence on customer acceptance ( $\beta_{90} = .314, p < .01$ ). The result is similar to Fisk and others (1993); Brady, Cronin, and Brand (2002); they described product advantage or service advantage will affect on customer acceptance because the increasing continuously quality of the service or service differentiate has higher than competitor to create customer acceptance (Fisk and others, 1993; Brady, Cronin, and Brand 2002). Therefore, ***Hypothesis 6c is supported.***

Surprisingly, service advantage has no effect on customer satisfaction ( $\beta_{85} = .078, p > .10$ ). This result according to prior studies suggests that product advantage or service advantage will affect on customer satisfaction but if the advantage is in the form of different services or quality of service does not directly affect customer satisfaction because a difference or quality of the services of the business in the same industry are similar, so it does not build to satisfy the growing (Fisk and others, 1993; Brady, Cronin, and Brand 2002). In contrast, Brady, Cronin, and Brand (2002)

explained that the quality of the service or service differentiate will affect on customer satisfaction through service excellence because of, excellence in service means something beyond the expectations of our customers. Therefore, ***Hypothesis 6b is not supported.***

As aforementioned, the advantage of the service will affect the satisfaction of our customer needs to create a service that exceeds customer expectations. However, different services or quality of service can be accepted by customers from the difference and quality that is superior to its competitors. Thus, spa businesses should focus on the creation of both the differences and the quality of service above the expectations of both customers and competitors continuously.

Table 11 relates to service effectiveness. As proposed, service effectiveness has a positive influence on service excellence, customer satisfaction, and customer acceptance. As a consequence of service effectiveness, the findings illustrate service effectiveness that has an influence on service excellence ( $\beta_{82} = .590, p < .01$ ). The result is similar to Barbee and others in preparation, who explained the effectiveness of the service that is updated to match the needs of customers in an environment uncertainty. Therefore, to meet customer satisfaction and customer acceptance of the effectiveness of the service, firms must be above the expectations of both customers and competitors (Barbee and Antle 2011). Therefore, ***Hypothesis 7a is supported.***

In addition, Daugherty, Stank, and Ellinger, (1998) and Stank and others (2003) explained that service effectiveness would mean availability, reliability, speed of service and an impact on customer satisfaction, customer loyalty and market share. On the other hand, the results of this research illustrate service effectiveness that has no an influence on customer satisfaction ( $\beta_{86} = -.047, p > .10$ ) and customer acceptance ( $\beta_{91} = .138, p > .10$ ). The result is similar to Kang and others (2005) who explained that customer satisfaction and customer acceptance do not depend on the effective of business services in the event of service in the industry, as customers will have the feeling that the effectiveness of services in the same business are similar. Moreover, an increase in the effectiveness of service improvements arising from within the organization will not affect the satisfaction and acceptance by customers as a result of the customers who took part in the decision thus, customer satisfaction and customer acceptance, depending on the result of improving the effectiveness of the service beyond the

expectations of both customers and competitors (Lichtenthal and Tellefsen, 2001; Moorman, Deshpande, and Zaltman, 1993; Morgan and Hunt, 1994; Schurr and Ozanne, 1985). Therefore, ***Hypotheses 7b and 7c are not supported.***

As aforementioned, the effectiveness of the service will affect both of satisfaction and acceptance of our customers needs to create a service that exceeds both of customers and competitors expectations. Thus spa businesses should focus on the creation effectiveness of service above the expectations of both customers and competitors continuously.

Table 11 relates to service excellence. As proposed, service excellence has a positive influence on customer satisfaction, and customer acceptance. As a consequence of service excellence, the findings illustrate service excellence that has an influence on customer satisfaction ( $\beta_{87} = .588$ ,  $p < .01$ ) and customer acceptance ( $\beta_{92} = .308$ ,  $p < .01$ ). This result according to prior studies suggests that satisfaction is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and actual performance (Tse and Wilton, 1988). Thus, service excellence has a positive influence on customer satisfaction (Cronin and Taylor, 1992; Iacobucci and others, 1996) customer acceptance, and firm performance (Keen and others, 2000). The result is similar to Wiertz and others (2004) who explained that service excellence of service firms will result in satisfied customers in the short term, but it will affect customers' acceptance in the long term due to customer acceptance, it refers to the belief that customers are provided with services therefore, the confidence of customers with the services will make the return of continuous service. Conversely, customer satisfaction will come up short on service beyond the expectations of our customers because of service excellence will take place in a short time later it will be imitated by competitors (Cronin and Taylor, 1992; Iacobucci and others, 1996; Wiertz and others, 2004).

As aforementioned, the excellence of the service will affect both of satisfaction and acceptance of our customers. Thus spa businesses should focus on the creation of service above the expectations of both customers and competitors continuously. Therefore, ***Hypotheses 8a and 8b are supported.***

In summary, these findings suggest that the firms with high service advantage and service effectiveness tend to gain greater of service excellence. However, firms with high service advantage tend to gain greater of customer acceptance. Moreover, firms

with high service excellence tend to gain greater of customer satisfaction and customer acceptance.

Additionally, two control variables including firm experience and firm size have no statistically significant influences on service excellence ( $\beta_{83} = -.179$ ,  $p > .10$ ;  $\beta_{84} = .162$ ,  $p > .10$ ). Therefore, the relationship service advantage, service effectiveness, and service excellence do not affect the influences of control variables. Interestingly, this research found that firm experience which is a control variable has statistically significant positive influences on customer satisfaction ( $\beta_{88} = .286$ ,  $p < .05$ ) and customer acceptance ( $\beta_{93} = .264$ ,  $p < .05$ ). This can interpret that the period of time in operation more than 5 years affects corporate survival whereas that with less than 5 years does not.

Table 12: Results of Regression Analysis of Influence of Customer Satisfaction and Customer Acceptance on Firm Performance <sup>a</sup>

Variables	CA		FP	
	Model 17	Model 18	Model 19	Model 20
<b>Csa</b>		.738*** (.051)		.171* (.095)
<b>CA</b>				.377*** (.094)
<b>FE</b>	.280 (.175)	.111 (.120)	.166 (.176)	.021 (.152)
<b>FS</b>	-.094 (.154)	.092 (.106)	-.212 (.154)	-.133 (.134)
<b>Adjusted R2</b>	.005	.540	.004	.261
<b>Maximum VIF</b>	1.002	1.023	1.002	2.226

\*  $p < .10$ , \*\*\* $p < .01$  <sup>a</sup> Beta coefficients with standard error in parenthesis

#### Influences of Customer Satisfaction and Customer Acceptance on Firm Performance

Accordingly, Figure 5 and Table 12 presents the results of analyses for customer satisfaction and customer acceptance on firm performance (Hypotheses 9a-b and 10).

Unstandardized coefficients with standard errors in parentheses are reported. The first is customer satisfaction. As proposed, customer satisfaction has a positive influence on customer acceptance and firm performance. As a consequence of customer satisfaction, the findings illustrate customer satisfaction that has an influence on service excellence ( $\beta_{95} = .738, p < .01$ ) and firm performance ( $\beta_{98} = .171, p < .10$ ). This result according to prior studies suggests that satisfaction is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and actual performance (Tse and Wilton, 1988). Thus, the customer's perceived service quality (Edvardsson, 1992; Harrison-Walker, 2001), and helping high performance (Dröge and Halstead, 1991; Johnston and Mehra, 2002). The success of the operation of the organization refers to increase customer satisfaction with the business (Gustafsson, 2009).

As aforementioned, customer satisfaction will affect customer acceptance and firm performance. Thus, spa businesses should focus on the increasing of customer satisfaction to increase both acceptance of customer and high performance. Therefore, ***Hypotheses 9a and 9b are supported.***

Table 12 relates to customer acceptance. As proposed, customer acceptance has a positive influence on firm performance. As a consequence of customer acceptance, the findings illustrate customer acceptance that has an influence on firm performance ( $\beta_{99} = .377, p < .01$ ). The result according to prior studies suggests that customer acceptance of the adoption of an incentive to purchase any goods or services so customer acceptance involves the acceptance of service or brand recognition in the business so customer acceptance and to purchase services or products to increase performance of the organization (Montigny, 2007). Megehee (2009) explained customer acceptance of services related to the recognition of customer service that exceeds expectations, so customers will come back to buy new services and the services the next time which will affect the rise the performance of the organization. However, customers cannot make a sustainable competitive advantage in the service beyond their expectations which will be easily copied at a later time so the organization must make changes, and improve the service continued to lead the customer to increase the performance of the organization. Therefore, ***Hypothesis 10 is supported.***

As aforementioned, customer acceptance will affect on firm performance. Thus spa businesses should focus on the increasing of customer acceptance for increase high performance.

In summary, these findings suggest that firms with high customer satisfaction tend to gain greater of customer acceptance and firm performance. However, customer acceptance tends to gain greater of firm performance.

Additionally, two control variables including firm experience and firm size have no statistically significant influences on customer acceptance ( $\beta_{96} = .111, p > .10$ ;  $\beta_{97} = .092, p > .10$ ). Therefore, the relationship customer satisfaction and customer acceptance do not affect the influences of control variables. However, two control variables including firm experience and firm size have no statistically significant influences on firm performance ( $\beta_{100} = .021, p > .10$ ;  $\beta_{101} = -.133, p > .10$ ). Therefore, the relationships among customer satisfaction, customer acceptance, and firm performance do not affect the influences of control variables.

Table 13: Results of Regression Analysis of Influence of Antecedents on Dimension of Dynamic Service Strategy and the Moderating Effect of Corporate Flexibility Implementation

Variables	SIG			SRDO			CSI			PSE			TSM		
	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
<b>GAF</b>		-.031	-.059		.032	.033		.070	.142		.111	.119		-.019	-.043
		(.116)	(.117)		(.111)	(.122)		(.112)	(.118)		(.104)	(.110)		(.102)	(.111)
<b>VEC</b>		.297**	.150		.319***	.344***		.444***	.403***		.225**	.238**		.524***	.557***
		(.115)	(.112)		(.110)	(.116)		(.111)	(.113)		(.103)	(.105)		(.102)	(.107)
<b>ICL</b>		.061	-.144		.202**	.213**		-.033	-.092		.297***	.250**		.082	.034
		(.095)	(.104)		(.091)	(.108)		(.092)	(.105)		(.085)	(.098)		(.084)	(.099)
<b>CBC</b>		.229***	.058		.052	.043		.073	-.036		.072	-.034		.111*	.069
		(.075)	(.076)		(.071)	(.079)		(.072)	(.077)		(.067)	(.071)		(.066)	(.072)
<b>CFI</b>			.520***			-.013			.160			.172*			.116
			(.103)			(.107)			(.104)			(.097)			(.098)
<b>GAFxCFI</b>			.383***			.050			.267***			.242***			.072
			(.089)			(.093)			(.090)			(.084)			(.085)

\* p< .10, \*\*p< .05, \*\*\*p<.01 <sup>a</sup> Beta coefficients with standard error in parenthesis

Table 13: Results of Regression Analysis of Influence of Antecedents on Dimension of Dynamic Service Strategy and the Moderating Effect of Corporate Flexibility Implementation (continued)

Variables	SIG			SRDO			CSI			PSE			TSM		
	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model	Model
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
<b>VECxCFI</b>			-.322***			-.101			-.259**			-.080			-.022
			(.110)			(.114)			(.110)			(.103)			(.105)
<b>ICLxCFI</b>			-.083			.151			.184			.004			.063
			(.099)			(.103)			(.099)			(.093)			(.094)
<b>CBCxCFI</b>			-.042			.100			-.007			.009			.079
			(.073)			(.076)			(.074)			(.069)			(.070)
<b>FE</b>	-.099	-.220	-.129	.148	.101	.047	-.051	-.132	-.159	.124	.073	.029	.205	.113	.058
	(.176)	(.162)	(.150)	(.176)	(.155)	(.156)	(.177)	(.157)	(.151)	(.176)	(.145)	(.141)	(.176)	(.143)	(.143)
<b>FS</b>	.168	.243*	.090	.005	.107	.028	.061	.155	.003	.176	.285**	.128	.017	.137	.015
	(.155)	(.140)	(.134)	(.155)	(.134)	(.139)	(.155)	(.136)	(.134)	(.154)	(.125)	(.125)	(.155)	(.124)	(.127)
<b>Adjusted R<sup>2</sup></b>	-.003	.184	.326	-.007	.255	.274	-.010	.235	.320	.000	.348	.407	-.003	.363	.391
<b>Maximum VIF</b>	1.002	3.011	6.440	1.002	3.011	6.440	1.002	3.011	6.440	1.002	3.011	6.440	1.002	3.011	6.440

\* p< .10, \*\*p< .05, \*\*\*p<.01

<sup>a</sup> Beta coefficients with standard error in parenthesis

Accordingly, Figure 7 and Table 13 present the results of analyses for antecedents of dynamic service strategy (goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition), and dimensions of dynamic service strategy (Hypotheses 12a-e, 13a-e, 14a-e, and 15a-e). Unstandardized coefficients, with standard errors in parentheses are reported. The first is goal achievement focus. As proposed, goal achievement focus has a positive influence on service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset.

Surprisingly, goal achievement focus has no effect on service innovation generation ( $\beta_{105} = -.031, p > .10$ ;  $\beta_{135} = -.059, p > .10$ ), service research and development orientation ( $\beta_{111} = .032, p > .10$ ;  $\beta_{146} = .033, p > .10$ ), continuous service improvement ( $\beta_{117} = .070, p > .10$ ;  $\beta_{157} = .142, p > .10$ ), proactive service enhancement ( $\beta_{123} = .111, p > .10$ ;  $\beta_{168} = .119, p > .10$ ), and transformational service mindset ( $\beta_{129} = -.019, p > .10$ ;  $\beta_{179} = -.043, p > .10$ ). The results are inconsistent with previous studies. Previous studies found that Zaccaro and Klimoski (2001) suggested organizational leaders direct the followers towards achieving organizational purposes by articulating the organization's mission, vision, strategy, and goals. Leaders at all levels have to be responsible for the dissemination of strategic organizational goals, as well as for convincing their constituents to effectively implement those goals. On the other hand, the results found goal achievement focus has no effect on dimensions of dynamic service strategy. In possible reason, strategic organizational goals are setting and implementing by top leaders. In the context of spa businesses in Thailand, top leaders refer to managing director or managing partner. Thus, organizational goals are setting and implementing by managing director or managing partner. On the other hand, firms can meet the needs of customers and new customer satisfaction and customer acceptance of services of the business arising from the employees. Therefore, managing directors or managing partners does not know the needs of customers because managing directors or managing partners does not the proximity to customers.

As aforementioned, goal achievement focus has no effect on strategic organizational goals. Thus, the success of a corporate strategy should be made between

the managing directors or managing partners and employees. Therefore, ***Hypotheses 12a-e are not supported.***

Table 13 relates to valuable employee competency. As proposed, valuable employee competency has a positive influence on dimensions of dynamic service strategy (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, transformational service mindset). As a consequence of valuable employee competency, the findings illustrate valuable employee competency that has an influence on service innovation generation ( $\beta_{106} = .297, p < .05$ ), service research and development orientation ( $\beta_{112} = .319, p < .01$ ;  $\beta_{147} = .344, p < .01$ ), continuous service improvement ( $\beta_{118} = .444, p < .01$ ;  $\beta_{158} = .403, p < .01$ ), proactive service enhancement ( $\beta_{124} = .225, p < .05$ ;  $\beta_{169} = .238, p < .05$ ), transformational service mindset ( $\beta_{130} = .524, p < .01$ ;  $\beta_{180} = .557, p < .01$ ). This result according to prior studies suggests that employee competency refers to the ability of employee about customer predictions, searching the information of occurrence / or behavioral to used of service, need and want of customers by conducting market research, awareness of customer complaint through improved communication system inter- organization that can create new service strategy by knowledge, skill, experience of employee (Lubit, 2001). For possible reason, firm's success in building customer satisfaction and customer acceptance are due to a competitor offering superior service that exceeds the expectations of the customer and the service effectiveness by the employees of firm. Thus, the success in creating corporate strategy requires valuable of knowledge, skills and experience of the employee to meet the needs of our customers. Moreover, employees use fully competency in operation to achieve goals of firm. Therefore, ***Hypotheses 13a-e are supported.***

As aforementioned, valuable employee competency has an effect on strategic firm. Thus, the success of the organization's strategy is based on the valuable of knowledge, skills and experience of the employee.

Table 13 relates to intelligent customer learning. As proposed, intelligent customer learning has a positive influence on dimensions of dynamic service strategy (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, transformational service mindset). As a consequence of intelligent customer learning, the findings

illustrate intelligent customer learning that has an influence on service research and development orientation ( $\beta_{113} = .202, p < .05$ ;  $\beta_{148} = .213, p < .05$ ) The result is similar to Alegre and Chiva (2008) who explained that intelligent learning involves the creation and utilization of knowledge in service to the organization's knowledge and the knowledge that has been developed to meet the needs of consumers. Therefore, ***Hypothesis 14b is supported.*** However, intelligent customer learning that has an influence on proactive service enhancement ( $\beta_{125} = .297, p < .01$ ;  $\beta_{169} = .250, p < .05$ ). Edwards and Allenby (2003) described that firms learn for forward-looking, opportunity-seeking and first mover as a guide in understanding the needs of the customer to implement the best solution in the form of the value proposition of the firm. Millard (2006) explained that firms learn to look for new opportunities to support excellence in customer experience. Therefore, ***Hypothesis 14d is supported.*** On the other hand, intelligent customer learning has no effect on service innovation generation ( $\beta_{107} = .061, p > .10$ ;  $\beta_{137} = -.144, p > .10$ ), continuous service improvement ( $\beta_{119} = -.033, p > .10$ ;  $\beta_{159} = -.092, p > .10$ ), and transformational service mindset ( $\beta_{131} = .082, p > .10$ ;  $\beta_{181} = .034, p > .10$ ). The result is similar to Millard (2006) who explained that intelligent customer learning refers to the learning organization to create and exploit knowledge that has developed knowledge in response to customer needs and improving services for forward-looking, opportunity-seeking and first mover for competitive advantage. Thus, intelligent customer learning is not related to innovation generation, continuous improvement and transformational. Therefore, ***Hypotheses 14a, 14c and 14d are not supported.***

As aforementioned, intelligent customer learning has an effect on strategic firm (service research and development orientation and proactive service enhancement). Thus, the spa businesses should use intelligent customer learning to create and use knowledge to develop the knowledge to meet the needs of our customers and improving services for forward-looking, opportunity-seeking and first mover is faster than competitors and responds to customer needs and wants.

Table 13 relates to complex business competition. As proposed, complex business competition has a positive influence on dimensions of dynamic service strategy (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, transformational

service mindset). As a consequence of complex business competition, the findings illustrate complex business competition that has an influence on service innovation generation ( $\beta_{108} = .229, p < .01$ ) and transformational service mindset ( $\beta_{132} = .111, p < .10$ ). This result according to prior studies suggests that increasing number of competitors in the same industry will result in sustainable competitive advantage as well as the survival of the organization. Therefore, organizations need to establish the differences related to the product or service to achieve customer acceptance (Baraldi and Waluszewski, 2007; Hakansson and Harrison, 2006; Hakansson and Waluszewski, 2002). Waluszewski, Baraldi, Shih, and Linne (2009) explained that the increasing competition will make the organization build an innovation or change the format to be innovative over the long term competition and build survival of the business. Therefore, ***Hypotheses 15a and 15e are supported.*** On the other hand, complex business competition has no effect on service research and development orientation ( $\beta_{114} = .052, p > .10$ ;  $\beta_{149} = .043, p > .10$ ), continuous service improvement ( $\beta_{120} = .073, p > .10$ ;  $\beta_{160} = -.036, p > .10$ ), and proactive service mindset ( $\beta_{126} = .072, p > .10$ ;  $\beta_{171} = -.034, p > .10$ ). The result is similar to Waluszewski and others (2009) they explained that the complex business competition is external factors affected to firm. Thus, organization use enables organizations to focus on creating new services or change the service model to create a competitive advantage and generate long-term survival of the organization. Thus, complex business competition is not related to service development, service improvement and proactive service. Therefore, ***Hypotheses 15b, 15c and 15d are not supported.***

As aforementioned, complex business competition has an effect on strategic firm (service innovation generation and transformational service mindset). Therefore, the competitive situation in complex business managers needs to create a new service or changing the service model to quickly create a competitive advantage and survival of the organization.

In summary, these findings suggest that the firms with high valuable employee competency tend to gain greater of service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset. However, firms with high intelligent customer learning tend to gain greater of service research and development

orientation and proactive service enhancement. Moreover, firms with high complex business competition tend to gain greater of service innovation generation and transformational service mindset.

Additionally, two control variables include firm experience and firm size. Firm experience has no statistically significant influences on service innovation generation ( $\beta_{109} = -.220, p > .10$ ), service research and development orientation ( $\beta_{115} = .101, p > .10$ ), continuous service improvement ( $\beta_{121} = -.132, p > .10$ ), proactive service enhancement ( $\beta_{127} = .073, p > .10$ ), and transformational service mindset ( $\beta_{133} = .113, p > .10$ ). Therefore, the relationship service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset do not affect the influences of control variables. Interestingly, firm size has statistically significant influences on service innovation generation ( $\beta_{110} = .243, p < .10$ ) and proactive service enhancement ( $\beta_{128} = .285, p < .05$ ). This can interpret that the number of employees in the organization more than 15 employees affects service innovation generation and proactive service enhancement whereas those with less than 15 employees do not. On the other hand, firm size has no statistically significant influences on service research and development orientation ( $\beta_{116} = .016, p > .10$ ), continuous service improvement ( $\beta_{122} = .155, p > .10$ ), and transformational service mindset ( $\beta_{134} = .137, p > .10$ ). Therefore, the relationship service research and development orientation, continuous service improvement, and transformational service mindset do not affect the influences of control variables.

#### Moderating Effects of Corporate Flexibility Implementation on Dynamic Service Strategy Relationship

Figure 8 and Table 13 provide the moderating effects (Hypotheses 16a-e, 17a-e, 18a-e, and 19a-e) of corporate flexibility implementation on the relationships between antecedents (goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition) on dynamic service strategy. This research assumes that antecedents are related with dimensions of dynamic service strategy (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational

service mindset) by corporate flexibility implementation positive strengthening the relationships between antecedents and dimensions of dynamic service strategy. In Table 13, with the control variables, antecedents of dynamic service strategy, and interaction term, corporate flexibility implementation which is treated on a positive association with service innovation generation ( $\beta_{139} = .520, p < .01$ ) and proactive service enhancement ( $\beta_{172} = .172, p < .01$ ). Corporate flexibility implementation seems to be an independent variable that it has a direct effect on service innovation generation and proactive service enhancement. However, when corporate flexibility implementation is treated as a moderator, it has an effect on the goal achievement focus-service innovation generation ( $\beta_{140} = .383, p < .01$ ), continuous service improvement ( $\beta_{162} = .267, p < .01$ ), and proactive service enhancement ( $\beta_{173} = .242, p < .01$ ). Thus, the relationship between goal achievement focus and service innovation generation, continuous service improvement, proactive service enhancement is significantly positive when corporate flexibility implementation is high, meaning that service firms are more likely to service innovation generation, continuous service improvement, and proactive service enhancement. Birkinshaw (2000) explained that the flexibility of the organization as a way to quickly adjust to the innovations that result from the creation or improvement to achieve a competitive advantage.

Thus, the organization focuses on the employee by the employee has participated create a goal or create a strategy. As the result, organization will achieved on objective because, the employees who are closer to customers and employees are aware of the expectations of our customers. Thus, the relationships among goal achievement focus and service innovation generation, continuous service improvement, and proactive service enhancement are significantly positive when corporate flexibility implementation is high. Therefore, ***Hypotheses 16a, 16c and 16d are supported.*** On the other hand, when corporate flexibility implementation is treated as a moderator, it has no effect on the goal achievement focus-service research and development orientation ( $\beta_{151} = .050, p > .10$ ). In possible reason, employees with experience in the long run should be confident in the knowledge, skills and abilities of employees, which resulted in the organization to achieve better than use of research because research arising from the knowledge gained from both personal inside and outside the organization thus, it may not match the existing experience. Therefore, ***Hypothesis 16b is not supported.***

However, when corporate flexibility implementation is treated as a moderator, it has no effect on the goal achievement focus-transformational service mindset ( $\beta_{184} = .072$ ,  $p > .10$ ). In possible reason, employees will have the feeling that changing the form of services that employees need to change the format of the performance of the past, which can cause difficulties in the workplace. Therefore, ***Hypothesis 16e is not supported.*** However, corporate flexibility implementation is treated as a moderator; it has no effect on the valuable employee competency- service research and development orientation ( $\beta_{152} = .101$ ,  $p > .10$ ), proactive service enhancement ( $\beta_{174} = -.080$ ,  $p > .10$ ), and transformational service mindset ( $\beta_{185} = -.022$ ,  $p > .10$ ). The results are similar to Slack (2005) who explained the flexibility of the organization is concerned with rules, culture, and values which affect the feelings of employees. Thus, corporate flexibility implementation is high. Employees reduce competency, resulting in an unsuccessful mission. Therefore, ***Hypotheses 17b, 17d, and 17e are not supported.***

Surprisingly, when corporate flexibility implementation is treated as a moderator; it has negative effect on the valuable employee competency- service innovation generation ( $\beta_{141} = -.322$ ,  $p < .01$ ) and continuous service improvement ( $\beta_{163} = -.259$ ,  $p < .01$ ). Therefore, the flexibility of an organization will succeed or fail based on the feelings of the employees of the organization. In possible reason, the ability of employees to fully achieve the goals the organization has a corporate culture and practical rules are clear and accepted by all employees in the organization. Thus, when organizations use the flexibility of regulations or cultural practices in the organization, employees will reduce the competency. As the result the performance of firm does not achieve the goals or decreased effectiveness of performance. Therefore, ***Hypotheses 17a and 17c are not supported.*** Thus, the relationships between valuable employee competency and service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset is not significantly and no positive when corporate flexibility implementation is high. In the context of intelligent customer learning, when corporate flexibility implementation is treated as a moderator, it has no effect on the intelligent customer learning- service innovation generation ( $\beta_{142} = -.083$ ,  $p > .10$ ), service research and development orientation ( $\beta_{153} = .151$ ,  $p > .10$ ), continuous service improvement ( $\beta_{164} = .184$ ,  $p > .10$ ), proactive service enhancement ( $\beta_{175} = .004$ ,  $p > .10$ ),

and transformational service mindset ( $\beta_{186} = .063$ ,  $p > .10$ ) The results are similar to Phillips and Wright (2009) who explained that an increased emphasis on the factors that affect the organization so that organizations need to optimize the operation of the organization to achieve its objectives. On the other hand, organization that uses a fully operational efficiency, the increased attention did not affect the performance increase. Thus, employees work with full capability is not able to increase performance, although the organization will focus on the rise. So corporate flexibility implementation does not help strategic of firms is to be better.

As aforementioned, intelligent customer learning has no effect on strategic firm (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset) when corporate flexibility implementation is high. Therefore, ***Hypotheses 18a-e is not supported.*** Similarly, corporate flexibility implementation is treated as a moderator, it has no an effect on the complex business competition- service innovation generation ( $\beta_{143} = -.042$ ,  $p > .10$ ), service research and development orientation ( $\beta_{154} = .100$ ,  $p > .10$ ), continuous service improvement ( $\beta_{165} = -.007$ ,  $p > .10$ ), proactive service enhancement ( $\beta_{176} = .009$ ,  $p > .10$ ), and transformational service mindset ( $\beta_{187} = .079$ ,  $p > .10$ ). The results are similar to Phillips and Wright (2009) who explained that an increased emphasis on the factors that affect the organization so that organizations need to optimize the operation of the organization to achieve its objectives. On the other hand, organization uses a fully operational efficiency, the increased attention did not affect the performance increase. Thus, employees work full capability is not able to increase performance, although the organization will focus on the rise. So corporate flexibility implementation does not help strategic of firms is better.

As aforementioned, complex business competition has no effect on strategic firm (service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset) when corporate flexibility implementation is high.

Therefore, ***Hypotheses 19a-e is not supported.***

In summary, the evidence supports that corporate flexibility implementation shows moderating effects on the relationships between goal achievement focus and service innovation generation, continuous service improvement, and proactive service

enhancement. Furthermore, corporate flexibility implementation is a direct key element to service innovation generation and proactive service enhancement.

Additionally, two control variables including firm experience and firm size have no statistically significant influences on service innovation generation ( $\beta_{144} = -.129$ ,  $p > .10$ ;  $\beta_{145} = .090$ ,  $p > .10$ ), service research and development orientation ( $\beta_{155} = .047$ ,  $p > .10$ ;  $\beta_{156} = .028$ ,  $p > .10$ ), continuous service improvement ( $\beta_{166} = -.132$ ,  $p > .10$ ;  $\beta_{167} = .155$ ,  $p > .10$ ), proactive service enhancement ( $\beta_{177} = .029$ ,  $p > .10$ ;  $\beta_{178} = .128$ ,  $p > .10$ ) and transformational service mindset ( $\beta_{188} = .058$ ,  $p > .10$ ;  $\beta_{189} = .015$ ,  $p > .10$ ) by the moderating effects of corporate flexibility implementation. Therefore, the relationship service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset do not affect the influences of control variables.

## Summary

This research provides an insight in the relationships between dynamic service strategy and its consequences. By drawing on the empirical study from 184 spa businesses in Thailand and utilizing dynamic capabilities approach and competency-based based view, the results clearly indicate dynamic service strategy are important for firms to gain corporate survival. This research finds that dynamic service strategy has an effect on service advantage, service effectiveness, service excellence, and corporate survival. Service innovation generation has an effect on service excellence and corporate survival. However, service research and development orientation and transformational service mindset have an effect on service advantage, service effectiveness, and service excellence. On the other hand, continuous service improvement and proactive service enhancement have an effect on service effectiveness. In addition, service excellence is a mediator variable between service advantage, and service effectiveness and customer satisfaction and customer acceptance relationship. However, customer satisfaction has a direct effect and indirect effect on firm performance. Customer acceptance has an effect on firm performance and firm performance has an effect on corporate survival. In addition, the period of time in operation more than 5 years affects customer satisfaction, customer acceptance, and corporate survival whereas that with less than 5 years does not.

This research provides an insight in the relationship between antecedents and dynamic service strategy. This research finds that valuable employee competency has an effect on all dimensions of dynamic service strategy. However, intelligent customer learning has an effect on service research and development orientation and proactive service enhancement. On the other hand, complex business competition has an effect on service innovation generation and transformational service mindset.

Thus, this research provides an empirical foundation for better understanding of the antecedent and consequences of dynamic service strategy and theoretical explanation of dynamic service strategy. The results can be concluded that dynamic service strategy has both direct and indirect effect on corporate survival.

In addition, number of the employee of firm if more than 15 employees affect service innovation generation and proactive service enhancement whereas that with less than 15 employees does not.

As for the role of two moderators, corporate flexibility implementation and organizational adaptation capability, the evidence indicated corporate flexibility implementation has partially significant effects on antecedent variables – dynamic service strategy relationship. On the other hand, organizational adaptation capability has no moderating effects of the relationships between dynamic service strategy and service advantage, service effectiveness, service excellence, and corporate survival.

Table 14: Summary of the Results of Hypotheses Testing

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H1a</b>	The higher service innovation generation is, the more likely that firm will gain greater service advantage.	Not supported
<b>H1b</b>	The higher service innovation generation is, the more likely that firm will gain greater service effectiveness.	Not supported
<b>H1c</b>	The higher service innovation generation is, the more likely that firm will gain greater service excellence.	Supported
<b>H1d</b>	The higher service innovation generation is, the more likely that firm will gain greater corporate survival.	Supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H2a</b>	The higher service research and development orientation is, the more likely that firm will gain greater service advantage.	Supported
<b>H2b</b>	The higher service research and development orientation is, the more likely that firm will gain greater service effectiveness.	Supported
<b>H2c</b>	The higher service research and development orientation is, the more likely that firm will gain greater service excellence.	Supported
<b>H2d</b>	The higher service research and development orientation is, the more likely that firm will gain greater corporate survival.	Not supported
<b>H3a</b>	The higher continuous service improvement is, the more likely that firm will gain greater service advantage.	Not supported
<b>H3b</b>	The higher continuous service improvement is, the more likely that firm will gain greater service effectiveness.	Supported
<b>H3c</b>	The higher continuous service improvement is, the more likely that firm will gain greater service excellence.	Not supported
<b>H3d</b>	The higher continuous service improvement is, the more likely that firm will gain greater corporate survival.	Not supported
<b>H4a</b>	The higher proactive service enhancement is, the more likely that firm will gain greater service advantage.	Not supported
<b>H4b</b>	The higher proactive service enhancement is, the more likely that firm will gain greater service effectiveness.	Supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H4c</b>	The higher proactive service enhancement is, the more likely that firm will gain greater service excellence.	Not supported
<b>H4d</b>	The higher proactive service enhancement is, the more likely that firm will gain greater corporate survival.	Not supported
<b>H5a</b>	The higher transformational service mindset is, the more likely that firm will gain greater service advantage.	Supported
<b>H5b</b>	The higher transformational service mindset is, the more likely that firm will gain greater service effectiveness.	Supported
<b>H5c</b>	The higher transformational service mindset is, the more likely that firm will gain greater service excellence.	Supported
<b>H5d</b>	The higher transformational service mindset is, the more likely that firm will gain greater corporate survival.	Not supported
<b>H6a</b>	The higher service advantage is, the more likely that firm will gain greater service excellence.	Supported
<b>H6b</b>	The higher service advantage is, the more likely that firm will gain greater customer satisfaction.	Not supported
<b>H6c</b>	The higher service advantage is, the more likely that firm will gain greater customer acceptance.	Supported
<b>H7a</b>	The higher service effectiveness is, the more likely that firm will gain greater service excellence.	Supported
<b>H7b</b>	The higher service effectiveness is, the more likely that firm will gain greater customer satisfaction.	Not supported
<b>H7c</b>	The higher service effectiveness is, the more likely that firm will gain greater customer acceptance.	Not supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H8a</b>	The higher service excellence is, the more likely that firm will gain greater customer satisfaction.	Supported
<b>H8b</b>	The higher service excellence is, the more likely that firm will gain greater customer acceptance.	Supported
<b>H9a</b>	The higher customer satisfaction is, the more likely that firm will gain greater customer acceptance.	Supported
<b>H9b</b>	The higher customer satisfaction is, the more likely that firm will gain greater firm performance.	Supported
<b>H10</b>	The higher customer acceptance is, the more likely that firm will gain greater firm performance.	Supported
<b>H11</b>	The higher firm performance is, the more likely that firm will gain greater corporate survival.	Supported
<b>H12a</b>	The higher goal achievement focus is, the more likely that firm will gain greater service innovation generation.	Not supported
<b>H12b</b>	The higher goal achievement focus is, the more likely that firm will gain greater service research and development orientation.	Not supported
<b>H12c</b>	The higher goal achievement focus is, the more likely that firm will gain greater continuous service improvement.	Not supported
<b>H12d</b>	The higher goal achievement focus is, the more likely that firm will gain greater proactive service enhancement.	Not supported
<b>H12e</b>	The higher goal achievement focus is, the more likely that firm will gain greater transformational service mindset.	Not supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H13a</b>	The higher valuable employee competency is, the more likely that firm will gain greater service innovation generation.	Supported
<b>H13b</b>	The higher valuable employee competency is, the more likely that firm will gain greater service research and development orientation.	Supported
<b>H13c</b>	The higher valuable employee competency is, the more likely that firm will gain greater continuous service improvement.	Supported
<b>H13d</b>	The higher valuable employee competency is, the more likely that firm will gain greater proactive service enhancement.	Supported
<b>H13e</b>	The higher valuable employee competency is, the more likely that firm will gain greater transformational service mindset.	Supported
<b>H14a</b>	The higher intelligent customer learning is, the more likely that firm will gain greater service innovation generation.	Not supported
<b>H14b</b>	The higher intelligent customer learning is, the more likely that firm will gain greater service research and development orientation.	Supported
<b>H14c</b>	The higher intelligent customer learning is, the more likely that firm will gain greater continuous service improvement.	Not supported
<b>H14d</b>	The higher intelligent customer learning is, the more likely that firm will gain greater proactive service enhancement.	Supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H14e</b>	The higher intelligent customer learning is, the more likely that firm will gain greater transformational service mindset.	Not supported
<b>H15a</b>	The higher complex business competition is, the more likely that firm will gain greater service innovation generation.	Supported
<b>H15b</b>	The higher complex business competition is, the more likely that firm will gain greater service research and development orientation.	Not supported
<b>H15c</b>	The higher complex business competition is, the more likely that firm will gain greater continuous service improvement.	Not supported
<b>H15d</b>	The higher complex business competition is, the more likely that firm will gain greater proactive service enhancement.	Not supported
<b>H15e</b>	The higher complex business competition is, the more likely that firm will gain greater transformational service mindset.	Supported
<b>H16a</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and service innovation generation.	Supported
<b>H16b</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and service research and development orientation.	Not supported
<b>H16c</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and continuous service improvement.	Supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H16d</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and proactive service enhancement.	Supported
<b>H16e</b>	Corporate flexibility implementation will positively moderate the relationships between goal achievement focus and transformational service mindset.	Not supported
<b>H17a</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and service innovation generation.	Not supported
<b>H17b</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and service research and development orientation.	Not supported
<b>H17c</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and continuous service improvement.	Not supported
<b>H17d</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and proactive service enhancement.	Not supported
<b>H17e</b>	Corporate flexibility implementation will positively moderate the relationships between valuable employee competency and transformational service mindset.	Not supported
<b>H18a</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and service innovation generation.	Not supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H18b</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and service research and development orientation.	Not supported
<b>H18c</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and continuous service improvement.	Not Supported
<b>H18d</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and proactive service enhancement.	Not supported
<b>H18e</b>	Corporate flexibility implementation will positively moderate the relationships between intelligent customer learning and transformational service mindset.	Not supported
<b>H19a</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and service innovation generation.	Not supported
<b>H19b</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and service research and development orientation.	Not supported
<b>H19c</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and continuous service improvement.	Not supported
<b>H19d</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and proactive service enhancement.	Not supported
<b>H19e</b>	Corporate flexibility implementation will positively moderate the relationships between complex business competition and transformational service mindset.	Not supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H20a</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and service advantage.	Not supported
<b>H20b</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and service effectiveness.	Not supported
<b>H20c</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and service excellence.	Not supported
<b>H20d</b>	Organizational adaptation capability will positively moderate the relationships between service innovation generation and corporate survival.	Not supported
<b>H21a</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service advantage.	Not supported
<b>H21b</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service effectiveness.	Not supported
<b>H21c</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and service excellence.	Not supported
<b>H21d</b>	Organizational adaptation capability will positively moderate the relationships between service research and development orientation and corporate survival.	Not supported
<b>H22a</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service advantage.	Not supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H22b</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service effectiveness.	Not supported
<b>H22c</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and service excellence.	Not supported
<b>H22d</b>	Organizational adaptation capability will positively moderate the relationships between continuous service improvement and corporate survival.	Not supported
<b>H23a</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service advantage.	Not supported
<b>H23b</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service effectiveness.	Not supported
<b>H23c</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and service excellence.	Not supported
<b>H23d</b>	Organizational adaptation capability will positively moderate the relationships between proactive service enhancement and corporate survival.	Not supported
<b>H24a</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service advantage.	Not supported
<b>H24b</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service effectiveness.	Not supported

Table 14: Summary of the Results of Hypotheses Testing (continued)

<b>Hypothesis</b>	<b>Description of Hypothesized Relationships</b>	<b>Results</b>
<b>H24c</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and service excellence.	Not supported
<b>H24d</b>	Organizational adaptation capability will positively moderate the relationships between transformational service mindset and corporate survival.	Not supported

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## **APPENDICES**

**APPENDIX A**  
**Test of Non-Response Bias**

## Test of Non-Response Bias

Comparison	N	Mean	SD.	t-test for Equality of Means	
				t	Sig. (2-tailed)
Activities of firm					
- First group	92	1.391	0.628	-1.495	0.137
- Second group	92	1.543	0.747		
Operational years					
- First group	92	1.884	0.660	-.823	0.411
- Second group	92	1.956	0.591		
Employees in the firm					
- First group	92	1.706	1.104	-.321	0.748
- Second group	92	1.760	1.189		
Current operational capital					
- First group	92	1.934	0.958	-.466	0.642
- Second group	92	1.956	0.912		

**APPENDIX B**  
**Items in Factor Loadings and Reliability Analyses in Pre-Test**

Pre-test's Construct Validity and Internal Consistency of Variables<sup>a</sup>

Constructs	Number of Items	Factor Loadings	Cronbach's Alpha
Service innovation generation (SIG)	4	0.623-0.818	0.725
Service research and development orientation (SRDO)	4	0.652-0.850	0.776
Continuous service improvement (CSI)	3	0.755-0.852	0.715
Proactive service enhancement (PSE)	4	0.737-0.823	0.782
Transformational service mindset (TSM)	3	0.677-0.885	0.734
Service advantage (SA)	4	0.633-0.863	0.814
Service effectiveness (SEf)	4	0.748-0.864	0.805
Service excellence (SE)	4	0.684-0.882	0.821
Customer satisfaction (CSa)	4	0.778-0.875	0.857
Customer acceptance (CA)	4	0.815-0.853	0.842
Firm performance (FP)	4	0.868-0.879	0.895
Corporate survival (CS)	4	0.801-0.832	0.837
Goal achievement focus (GAF)	4	0.844-0.896	0.890
Valuable employee competency (VEC)	4	0.788-0.892	0.861
Intelligent customer learning (ICL)	4	0.689-0.859	0.819
Complex business competition (CBC)	4	0.833-0.891	0.890
Corporate flexibility implementation (CFI)	3	0.790-0.887	0.769
Organizational adaptation capability (OAC)	4	0.692-0.910	0.839

<sup>a</sup> n = 30

## **APPENDIX C**

### **The Original Items**

## The Original Items in Scales

Construct	Items
<b>Service Innovation Generation</b>	
SIG 1	The firm believes that service innovation creativity should bring firm to response and operation at present and future.
SIG 2	The firm focuses on developing new services should bring firm increase their competitiveness.
SIG 3	The Firm supports the budget to build a fully service innovation for enhance the potential in operate of the firm.
SIG 4	The firm focuses on the creation of a variety of services that is different from competitors in order to response customer needs at present and future.
<b>Service Research and Development Orientation</b>	
SRDO 1	The firm believes that research and development of continuous service so that firm present a model for the new service and responsiveness to customers as well.
SRDO 2	The firm focuses on the allocation of its research budget for new services continuously so that firm meets the needs of clients change constantly.
SRDO 3	The firm promotes employees present new ideas are always so that firm can increase their capacity to operate more efficiently.
SRDO 4	The firm focuses on the use of research and development of new services fully. This puts the service in line with changing needs.
<b>Continuous Service Improvement</b>	
CSI 1	The firm believes in continuous services improvement so that firm respond to the changing needs of customers and make service modernization.
CSI 2	The firm focuses on the analysis of continuous service to the firm to improve and offer better service and more efficient.
CSI 3	The firm supports the budget to develop new services so that firm response the needs of markets and customers continually.
CSI 4	The firm promotes personal learn new techniques and technologies continuously so that firm may use to improve the system and concrete service.
<b>Proactive Service Enhancement</b>	

## The Original Items in Scales (Continued)

Construct	Items
PSE 1	The firm believes that the analysis of the demand for services will in future be used to prepare a business plan to achieve goals and objectives.
PSE 2	The firm focuses on developing new services and features to meet the changing environment to ensure the effective operation of services faster than competitors.
PSE 3	The firm encourages personal to use technology to create innovative new services, quickly, and that efficiently will result in more successful than their competitors.
PSE 4	The firm focuses on its employees to commit to the idea of finding new ways and new ways the company so that firm is growing faster than its competitors in the industry.
Transformational Service Mindset	
TSM 1	The firm believes that the modified form of the new service continuously so that operation of firm is successful over its competitors.
TSM 2	The firm encourages employees to learn to use the service every time so that employees can learn and understand continuously.
TSM 3	The firm focuses on cultivating the idea of finding the form of new services continuously to meet its customers' needs perfectly.
Service Advantage	
SA 1	The firm can offer innovative services and advanced features than its competitors.
SA 2	The firm has a wide range of quality services to customers over the format of its competitors.
SA 3	The firm can offer model to offer services that are very different before the other competitors at all time.
SA 4	The firm can add value to customers under a lower cost than competitors.
Service Effectiveness	
SEf 1	The firm has a service that can respond quickly to customer needs.
SEf 2	The firm can offer information about services correctly and clearly meets the needs of customers quickly.
SEf 3	The firm can succeed in the application of techniques and technologies to improve to increase service high quality.

## The Original Items in Scales (Continued)

Construct	Items
SEf 4	The firm has conducted research and development of new services to operate and can be used responsive the needs of customers.
<b>Service Excellence</b>	
SE 1	The firm has presentation of the new services that exceed customers' expectations.
SE 2	The firm has best service model that allows customers mention all the time.
SE 3	The firm can offer new services and new business opportunities arising from changes in the market before competitors.
SE 4	The firm has service outstanding performance and exceeds customer expectations consistently.
<b>Customer Satisfaction</b>	
CSa 1	The firm receives the confidence from a customer; although the new competitor has come up continually.
CSa 2	The firm can attract old customers use our services consistently and regularly.
CSa 3	The firm ensures that customers are adhering to with the serve model of the firm; although others will be new forms arise.
CSa 4	The firm can build the group new customers from group old customer advises to come to use serve.
<b>Customer Acceptance</b>	
CA 1	The firm has been recognized as a company that has developed service continuously and consistently.
CA 2	The firm has been recognized as an innovative service that has the potential to meet the unique and diverse needs of our customers.
CA 3	Under fierce competition, businesses can operate and survive and be appreciated by customers continuously.
Ca 4	The firm can meet the needs of our customers are well under uncertainty.
<b>Firm Performance</b>	
FP 1	The firm has profit from operations to meet the goals and objectives as planned.
FP 2	The firm has increased its market share steadily.
FP 3	The firm has sales growth continuously compared to the past.
FP 4	The firm has a good performance under conditions of intense competition.

## The Original Items in Scales (Continued)

Construct	Items
<b>Corporate Survival</b>	
CS 1	The firm has service innovation, quality and standard acceptable to the customer continuously.
CS 2	Overall, the firm has gained from results of operations, growth increased steadily and consistently.
CS 3	The firm has reputation and recognized by customer and other organizations.
CS 4	The firm has a quantity uses service from a continuous regular customer.
<b>Goal Achievement Focus</b>	
GAF 1	The firm believes that the focus on the goal of the operation will help to encourage the management of the organization more effective.
GAF 2	The firm supports employees to set goals and guidelines are clear and consistent with the goals of the company will run smoothly and achieve the purpose.
GAF 3	The firm believes that the creation of policies and strategies implemented to meet the goals of the organization allows the organization to achieve both short and long term.
GAF 4	The firm encourages people to learn to understand the vision, mission and goals of the organization so that operating of the organization will succeed follow the goal.
<b>Valuable Employee Competency</b>	
VEC 1	The firm believes that the ability of people will be a key factor in the operation of the organization so that the firm has the ability to compete and survive.
VEC 2	The firm encourages employees to participate in the management of the company to achieve the goals of the organization and maximize efficiency.
VEC 3	The firm supports the budget to personnel training continuously so that the firm has capability of personnel for performance growth
VEC 4	The firm encourages people to continued learning so that the firm has a potential of people and can build firm growth in both present and future.
<b>Intelligent Customer Learning</b>	
ICL 1	The firm believes in the ability to learn and understand the expectations of customers so that organizations can meet the needs of their clients properly.

## The Original Items in Scales (Continued)

Construct	Items
ICL 2	The firm supports research company clients to prepare a database of clients to enable organizations to respond quickly.
ICL 3	The firm promotes the allocation of funds to build a good relationship with the client, who can lead to learning; the customer will lead to the adoption of good service.
ICL 4	The firm believes that analyzing the information needs of its customers so that the firm has an excellence service.
Corporate Flexibility Implementation	
CFI 1	The firm believes that the administration of the organization can respond well to changes so that the organization is operating effectively.
CFI 2	The company will focus on determining how to respond to changes in the organization to survive in the short and long term.
CFI 3	The firm encourages research activities to the changing environment at all the time so that the firm is continuous succeed.
Organizational Adaptation Capability	
OAC 1	The firm believes that the rapid adaptation of organization under the environment is highly competitive and uncertain in order to help the firm can operate more effectively and survive.
OAC 2	The firm promotes learning and understanding of processes development for keep pace with market demand so that the firm is succeed and business growth.
OAC 3	The firm supports to changing the method of the administration continues to keep pace with the changing environment in order to help the firm to be able to meet customer needs and markets.
OAC 4	The firm supports to learn the method of to integrate new technologies and techniques to use in a firm in order to the firm can increase competitiveness.
Complex Business Competition	
CBC 1	In a fierce competition sector enables firms to seek new strategic focus is always to achieve outstanding service.

## The Original Items in Scales (Continued)

Construct	Items
CBC 2	Currently, there are so many competitors in the business so the firm is interested in developing system to handle both proactive and reactive in order to comply with the competition.
CBC 3	Customers are with diverse needs. So firms must find a way to modify new services continue to meet their needs in a timely manner.
CBC 4	Today's technology has advanced so much so that companies can offer a new service model from a combination of personnel in the organization and new technologies. Thus, the organization has a competitive advantage.

**APPENDIX D**  
**Cover Letter and Questionnaire: Thai Version**

**แบบสอบถามเพื่อการวิจัย**  
**เรื่อง กลยุทธ์การบริการเชิงพลวัตรและสาเหตุและผลลัพธ์ที่เกิดขึ้น :**  
**หลักฐานจากธุรกิจสปาในประเทศไทย**

**คำชี้แจง**

โครงการวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาเรื่อง “กลยุทธ์การบริการเชิงพลวัตรและสาเหตุและผลลัพธ์ที่เกิดขึ้น: หลักฐานจากธุรกิจสปาในประเทศไทย” เพื่อเป็นข้อมูลในการจัดทำวิทยานิพนธ์ในระดับปริญญาเอกของผู้วิจัยในหลักสูตรปรัชญาดุษฎีบัณฑิต สาขาวิชาการจัดการ คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม 44000 หมายเลขโทรศัพท์ 043-754333

ข้าพเจ้าใคร่ขอความอนุเคราะห์จากท่านในการตอบแบบสอบถามชุดนี้ โดยรายละเอียดของแบบสอบถามประกอบด้วยส่วนของคำถาม 7 ตอน ดังนี้

ตอนที่ 1 ข้อมูลทั่วไปเกี่ยวกับผู้บริหารของธุรกิจสปาในประเทศไทย

ตอนที่ 2 ข้อมูลทั่วไปของธุรกิจสปาในประเทศไทย

ตอนที่ 3 ความคิดเห็นเกี่ยวกับกลยุทธ์การบริการเชิงพลวัตรของธุรกิจสปาในประเทศไทย

ตอนที่ 4 ความคิดเห็นเกี่ยวกับผลการดำเนินงานของธุรกิจสปาในประเทศไทย

ตอนที่ 5 ความคิดเห็นเกี่ยวกับปัจจัยภายในที่ส่งผลต่อการดำเนินงานของธุรกิจสปาในประเทศไทย

ตอนที่ 6 ความคิดเห็นเกี่ยวกับปัจจัยภายนอกที่ส่งผลต่อการดำเนินงานของธุรกิจสปาในประเทศไทย

ตอนที่ 7 ข้อคิดเห็น และข้อเสนอแนะเกี่ยวกับการบริหารธุรกิจสปาในปัจจุบันและอนาคต

คำตอบของท่านจะถูกเก็บรักษาเป็นความลับ และจะไม่มีการใช้ข้อมูลใด ๆ ที่เปิดเผยเกี่ยวกับตัวท่านในการรายงานข้อมูล รวมทั้งจะไม่มีการร่วมใช้ข้อมูลดังกล่าวกับบุคคลภายนอกอื่นใดโดยไม่ได้รับอนุญาตจากท่าน ท่านต้องการรายงานสรุปผลการวิจัยหรือไม่

( ) ต้องการ E - mail \_\_\_\_\_ ( ) ไม่ต้องการ

หากท่านต้องการรายงานสรุปผลการวิจัย โปรดระบุ E-mail Address ของท่าน หรือแนบนามบัตรของท่านมา กับแบบสอบถามชุดนี้

ผู้วิจัยขอขอบพระคุณที่ท่านได้กรุณาเสียสละเวลาในการตอบแบบสอบถามชุดนี้ อย่างถูกต้องครบถ้วน และหวังเป็นอย่างยิ่งว่าข้อมูลที่ได้รับจากท่านจะเป็นประโยชน์อย่างยิ่งต่อการวิจัยในครั้งนี้ และขอขอบพระคุณอย่างสูงมา ณ โอกาสนี้ หากท่านมีข้อสงสัยประการใดเกี่ยวกับแบบสอบถาม โปรดติดต่อผู้วิจัย นายณัฐวัฒน์ ลิ้มปัสร์พงษ์ โทรศัพท์เคลื่อนที่ 0-872155623 หรือ E - mail : [Chattawat2511@hotmail.com](mailto:Chattawat2511@hotmail.com)

(นายณัฐวัฒน์ ลิ้มปัสร์พงษ์)

นิสิตระดับปริญญาเอก สาขาการจัดการ

คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม

**ตอนที่ 1** ข้อมูลทั่วไปของผู้บริหารธุรกิจสปาในประเทศไทย

1. เพศ

☐ ชาย

☐ หญิง

2. อายุ

☐ น้อยกว่า 35 ปี

☐ 35 – 40 ปี

☐ 41-45 ปี

☐ มากกว่า 45 ปี

3. สถานภาพ

☐ โสด

☐ สมรส

☐ หม้าย/หย่าร้าง

4. ระดับการศึกษา

☐ ปริญญาตรีหรือเทียบเท่า

☐ สูงกว่าปริญญาตรี

5. ประสบการณ์ในการทำงาน

☐ น้อยกว่า 5 ปี

☐ 5- 10 ปี

☐ 11 – 15 ปี

☐ มากกว่า 15 ปี

6. รายได้เฉลี่ยต่อเดือน

☐ ต่ำกว่า 30,000 บาท

☐ 30,000 – 45,000 บาท

☐ 45,001-60,000 บาท

☐ มากกว่า 60,000 บาท

7. ตำแหน่งงานในปัจจุบัน

☐ กรรมการผู้จัดการ

☐ หัวหน้าผู้จัดการ

## ตอนที่ 2 ข้อมูลทั่วไปเกี่ยวกับธุรกิจสปาในประเทศไทย

### 1. รูปแบบของธุรกิจ

☐ บริษัทจำกัด

☐ ห้างหุ้นส่วนจำกัด

### 2. ประเภทของธุรกิจ (ตอบได้มากกว่า 1 ข้อ)

☐ สปาเพื่อสุขภาพ

☐ สปาเพื่อความงาม

☐ สปานวดเพื่อสุขภาพ

☐ อื่นๆ (โปรดระบุ).....

### 3. ระยะเวลาในการดำเนินการ

☐ น้อยกว่า 5 ปี

☐ 5-10 ปี

☐ 11-15 ปี

☐ มากกว่า 15 ปี

### 4. จำนวนพนักงาน

☐ น้อยกว่า 15 คน

☐ 15-20 คน

☐ 21-30 คน

☐ มากกว่า 30 คน

### 5. ทุนในการดำเนินงาน

☐ น้อยกว่า 5,000,000 บาท

☐ 5,000,000-10,000,000 บาท

☐ 10,000,001-15,000,000 บาท

☐ มากกว่า 15,000,000 บาท

### 6. รายได้ของธุรกิจเฉลี่ยต่อปี

☐ น้อยกว่า 5,000,000 บาท

☐ 5,000,000-10,000,000 บาท

☐ 10,000,001-15,000,000 บาท

☐ มากกว่า 15,000,000 บาท

### 7. ธุรกิจเคยได้รับรางวัลเกี่ยวกับการบริหารจัดการที่โดดเด่นและมีคุณภาพ

☐ เคย

☐ ไม่เคย

### 8. ลูกค้าหลักที่ใช้บริการ

☐ ลูกค้าในประเทศ

☐ ลูกค้าต่างประเทศ

ตอนที่ 3 ความคิดเห็นเกี่ยวกับกลยุทธ์การบริการเชิงพลวัตรของธุรกิจสปาในประเทศไทย

กลยุทธ์การบริการเชิงพลวัตร	ระดับความคิดเห็น				
	มากที่สุด 5	มาก 4	ปานกลาง 3	น้อย 2	น้อยที่สุด 1
<b>การสร้างนวัตกรรมบริการ (Service Innovation Generation)</b> 1. กิจการเชื่อมั่นว่าการสร้างสรรค์นวัตกรรมบริการ จะช่วยให้สามารถตอบสนองและดำเนินงานได้ทั้งในปัจจุบันและอนาคต	5	4	3	2	1
2. กิจการให้ความสำคัญกับการพัฒนาบริการใหม่ๆ ที่เป็นรูปธรรมและ เกิดการยอมรับ ซึ่งจะช่วยให้กิจการเพิ่มขีดความสามารถในการแข่งขัน	5	4	3	2	1
3. กิจการสนับสนุนให้มีการจัดสรรงบประมาณการสร้างนวัตกรรมบริการอย่างเต็มที่ เพื่อเพิ่มศักยภาพในการดำเนินงานขององค์กร	5	4	3	2	1
4. กิจการมุ่งเน้นให้มีการสร้างบริการใหม่ๆ ให้มีความหลากหลายที่มีความแตกต่างจากคู่แข่ง เพื่อตอบสนองความต้องการของลูกค้าในปัจจุบันและอนาคต	5	4	3	2	1
<b>การมุ่งเน้นการวิจัยและพัฒนาบริการ (Service Research and Development Orientation)</b> 5. กิจการเชื่อมั่นว่าการวิจัยและการพัฒนาบริการอย่างต่อเนื่อง จะทำให้สามารถนำเสนอรูปแบบและแนวทางใหม่ที่ตอบสนองลูกค้าได้เป็นอย่างดี	5	4	3	2	1
6. กิจการให้ความสำคัญกับการจัดสรรงบประมาณด้านการวิจัยบริการใหม่ๆอย่างต่อเนื่อง เพื่อให้องค์กรสามารถตอบสนองความต้องการของลูกค้าที่เปลี่ยนแปลงได้อย่างต่อเนื่อง	5	4	3	2	1
7. กิจการส่งเสริมให้บุคลากรนำเสนอแนวคิดใหม่ๆ อยู่เสมอ เพื่อให้องค์กรสามารถเพิ่มขีดความสามารถในการดำเนินงานได้อย่างมีประสิทธิภาพยิ่งขึ้น	5	4	3	2	1
8. กิจการมุ่งเน้นให้มีการใช้ประโยชน์จากการวิจัยและพัฒนาบริการใหม่อย่างเต็มที่ ซึ่งจะทำให้การบริการสอดคล้องกับความต้องการที่เปลี่ยนแปลง	5	4	3	2	1

ตอนที่ 3 ความคิดเห็นเกี่ยวกับกลยุทธ์การบริการเชิงพลวัตรของธุรกิจสปาในประเทศไทย (ต่อ)

กลยุทธ์การบริการเชิงพลวัตร	ระดับความคิดเห็น				
	มากที่สุด	มาก	ปานกลาง	น้อย	น้อยที่สุด
	5	4	3	2	1
<b>การปรับปรุงการบริการอย่างต่อเนื่อง (Continuous Service Improvement)</b>					
9. กิจการเชื่อมั่นว่าการปรับปรุงพัฒนาการบริการอย่างต่อเนื่องจะทำให้สามารถตอบสนองต่อการเปลี่ยนแปลงความต้องการของลูกค้าและทำให้การบริการมีความทันสมัยอยู่เสมอ	5	4	3	2	1
10. กิจการให้ความสำคัญกับการศึกษาวิเคราะห์การเปลี่ยนแปลงการบริการอย่างต่อเนื่อง เพื่อใช้ในการปรับปรุงพัฒนาและนำเสนอการบริการที่ดีและมีประสิทธิภาพมากยิ่งขึ้น	5	4	3	2	1
11. กิจการสนับสนุนให้มีการจัดสรรงบประมาณเพื่อพัฒนาการบริการใหม่เพื่อให้สามารถตอบสนองความต้องการของตลาดและลูกค้าอย่างต่อเนื่อง	5	4	3	2	1
12. กิจการส่งเสริมให้บุคลากรเรียนรู้เทคนิคและเทคโนโลยีใหม่ๆอย่างต่อเนื่อง เพื่อนำมาใช้ปรับปรุงการบริการให้เป็นระบบและเป็นรูปธรรม	5	4	3	2	1
<b>การส่งเสริมการบริการเชิงรุก ( Proactive Service Enhancement)</b>					
13. กิจการเชื่อมั่นว่าการวิเคราะห์ถึงความต้องการการบริการในอนาคต จะเป็นข้อมูลให้กิจการสามารถวางแผนการดำเนินงานเพื่อบรรลุเป้าหมาย และวัตถุประสงค์	5	4	3	2	1
14. กิจการให้ความสำคัญกับการพัฒนาปรับปรุงการบริการใหม่ๆ ที่โดดเด่นก่อนคู่แข่งอยู่เสมอ เพื่อให้สอดคล้องกับสภาพแวดล้อมที่เปลี่ยนแปลงไป จะส่งผลให้กิจการมีการบริการที่มีประสิทธิภาพที่รูกหน้าคู่แข่ง	5	4	3	2	1
15. กิจการส่งเสริมบุคลากรให้ประยุกต์ใช้เทคโนโลยีเพื่อสร้างสรรค์การบริการให้มีความทันสมัย รวดเร็ว และเกิดประสิทธิภาพสูงสุด จะส่งผลให้ การดำเนินงานประสบความสำเร็จเหนือกว่าคู่แข่ง	5	4	3	2	1

ตอนที่ 3 ความคิดเห็นเกี่ยวกับกลยุทธ์การบริการเชิงพลวัตรของธุรกิจสปาในประเทศไทย (ต่อ)

กลยุทธ์การบริการเชิงพลวัตร	ระดับความคิดเห็น				
	มากที่สุด 5	มาก 4	ปานกลาง 3	น้อย 2	น้อยที่สุด 1
16. กิจกรรมมุ่งมั่นให้บุคลากรมีแนวคิดในการแสวงหาแนวทางและวิธีการบริการใหม่ๆ อยู่เสมอ ซึ่งจะส่งผลให้กิจการเจริญเติบโตได้รวดเร็วกว่าคู่แข่งที่อยู่ในอุตสาหกรรมเดียวกัน	5	4	3	2	1
<b>เจตคติที่ดีในการปรับเปลี่ยนการบริการ (Transformational Service Mindset)</b>					
17. กิจกรรมเชื่อมั่นว่าการปรับเปลี่ยนรูปแบบแนวทางการบริการใหม่ๆ อยู่เสมอ จะส่งผลให้การดำเนินงานประสบความสำเร็จเหนือกว่าคู่แข่ง	5	4	3	2	1
18. กิจกรรมส่งเสริมบุคลากรเรียนรู้ทำความเข้าใจการประยุกต์ใช้แนวทางวิธีการบริการใหม่ๆ อยู่เสมอ จะส่งผลให้บุคลากรเกิดการเรียนรู้และเข้าใจ สิ่งต่างๆ อย่างต่อเนื่อง	5	4	3	2	1
19. กิจกรรมให้ความสำคัญกับการปลูกฝังบุคลากรให้มีแนวคิดในการค้นหารูปแบบการบริการใหม่ๆ อย่างต่อเนื่อง เพื่อให้สามารถตอบสนองความต้องการของลูกค้าได้อย่างดีเยี่ยม	5	4	3	2	1

ตอนที่ 4 ความคิดเห็นเกี่ยวกับผลการดำเนินงานของธุรกิจสปาในประเทศไทย

ผลการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด 5	มาก 4	ปานกลาง 3	น้อย 2	น้อยที่สุด 1
<b>ความได้เปรียบทางการบริการ (Service Advantage)</b>					
1. กิจกรรมสามารถนำเสนอการบริการที่แปลกใหม่ โดดเด่น และทันสมัยกว่า คู่แข่งอย่างต่อเนื่อง	5	4	3	2	1
2. กิจกรรมมีรูปแบบการบริการให้ลูกค้าเลือกสรรอย่างหลากหลายมากกว่ารูปแบบการบริการของคู่แข่ง	5	4	3	2	1
3. กิจกรรมสามารถนำเสนอรูปแบบการบริการที่มีความแตกต่างก่อนคู่แข่งรายอื่นอยู่เสมอ	5	4	3	2	1

ตอนที่ 4 ความคิดเห็นเกี่ยวกับผลการดำเนินงานของธุรกิจสปาในประเทศไทย (ต่อ)

ผลการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด	มาก	ปานกลาง	น้อย	น้อยที่สุด
	5	4	3	2	1
4. กิจการสามารถเพิ่มคุณค่าในการบริการได้ดีกว่าให้กับลูกค้าภายใต้ต้นทุนการบริการที่ต่ำกว่าคู่แข่ง	5	4	3	2	1
<b>ประสิทธิผลทางการบริการ (Service effectiveness)</b>					
5. กิจการมีการบริการที่สามารถตอบสนองต่อความต้องการของลูกค้าได้อย่างทันท่วงที	5	4	3	2	1
6. กิจการสามารถเสนอข้อมูลที่เกี่ยวข้องกับการบริการได้อย่างถูกต้อง ชัดเจน และตรงตามความต้องการของลูกค้าได้อย่างรวดเร็ว	5	4	3	2	1
7. กิจการประสบความสำเร็จในการประยุกต์ใช้เทคนิคและเทคโนโลยี ในการพัฒนาการบริการให้มีคุณภาพสูง	5	4	3	2	1
8. กิจการมีการค้นคว้า วิจัย และพัฒนาวิธีการบริการใหม่ๆ ในการดำเนินงานและสามารถนำมาใช้ได้อย่างดี เป็นที่ที่ต้องการของลูกค้า	5	4	3	2	1
<b>ความเป็นเลิศทางการบริการ (Service Excellence)</b>					
9. กิจการมีการนำเสนอรูปแบบการบริการใหม่ๆ ที่เกินความคาดหมายของลูกค้า	5	4	3	2	1
10. กิจการมีรูปแบบการบริการที่ขอดีเยี่ยมเป็นที่ถูกกล่าวขานจากลูกค้าอยู่เสมอ	5	4	3	2	1
11. กิจการสามารถนำเสนอการบริการใหม่ๆ และโอกาสใหม่ๆ ทางธุรกิจที่เกิดจากการเปลี่ยนแปลงของตลาดก่อนคู่แข่ง	5	4	3	2	1
12. กิจการมีการบริการที่มีประสิทธิภาพยอดเยี่ยมเหนือความคาดหวังของลูกค้าอย่างต่อเนื่อง	5	4	3	2	1
<b>ความพึงพอใจของลูกค้า (Customer Satisfaction)</b>					
13. กิจการได้รับความเชื่อมั่นจากลูกค้าที่มาใช้บริการเป็นประจำ ถึงแม้ว่าจะมีคู่แข่งรายใหม่เกิดขึ้นอย่างต่อเนื่อง	5	4	3	2	1
14. กิจการสามารถดึงดูดให้ลูกค้าเก่าเข้ามาใช้บริการอย่างต่อเนื่อง สม่ำเสมอและเป็นประจำ	5	4	3	2	1
15. กิจการมั่นใจว่าลูกค้ายังผูกติดและยึดติดกับรูปแบบการบริการขององค์กร ถึงแม้ว่ากิจการอื่นจะมีรูปแบบใหม่ๆ เกิดขึ้น	5	4	3	2	1

ตอนที่ 4 ความคิดเห็นเกี่ยวกับผลการดำเนินงานของธุรกิจสปาในประเทศไทย (ต่อ)

ผลการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด 5	มาก 4	ปานกลาง 3	น้อย 2	น้อยที่สุด 1
16. กิจการสามารถสร้างกลุ่มลูกค้าใหม่ได้จากการที่กลุ่มลูกค้าเก่าแนะนำให้มาใช้บริการ	5	4	3	2	1
<b>การยอมรับของลูกค้า (Customer Acceptance)</b>					
17. กิจการได้รับการยอมรับว่าเป็นกิจการที่มีการพัฒนาการบริการอย่างต่อเนื่องและสม่ำเสมอ	5	4	3	2	1
18. กิจการได้รับการยอมรับว่าเป็นกิจการที่มีนวัตกรรมทางด้านการบริการที่มีศักยภาพโดดเด่น และหลากหลายสามารถตอบสนองความต้องการของลูกค้า	5	4	3	2	1
19. ภายใต้สภาวะการแข่งขันที่รุนแรงกิจการสามารถดำเนินงานและอยู่รอดได้จนได้รับการชื่นชมจากลูกค้าอย่างต่อเนื่อง	5	4	3	2	1
20. กิจการสามารถตอบสนองความต้องการของลูกค้าได้เป็นอย่างดี ภายใต้สถานการณ์ที่ไม่แน่นอน	5	4	3	2	1
<b>ผลการดำเนินงานของกิจการ (Firm Performance)</b>					
21. กิจการมีกำไรจากการดำเนินงานเป็นไปตามเป้าหมายและวัตถุประสงค์ที่วางไว้	5	4	3	2	1
22. กิจการมีส่วนแบ่งทางการตลาดเพิ่มขึ้นอย่างต่อเนื่อง	5	4	3	2	1
23. กิจการมียอดขายเจริญเติบโตอย่างต่อเนื่อง เมื่อเปรียบเทียบกับในอดีต	5	4	3	2	1
24. กิจการมีผลการดำเนินงานที่มีประสิทธิภาพ ภายใต้สภาพการแข่งขันที่รุนแรง	5	4	3	2	1
<b>การอยู่รอดของกิจการ (Corporate Survival)</b>					
25. กิจการมีนวัตกรรมการบริการที่ได้คุณภาพและมาตรฐานเป็นที่ยอมรับของลูกค้าอย่างต่อเนื่อง	5	4	3	2	1
26. ในภาพรวมกิจการมีผลการดำเนินงานเจริญเติบโตที่เพิ่มขึ้นอย่างต่อเนื่อง และสม่ำเสมอ	5	4	3	2	1
27. กิจการมีชื่อเสียงเป็นที่ยอมรับจากลูกค้าและองค์กรภายนอกอื่นๆ	5	4	3	2	1
28. กิจการมีปริมาณการเข้าใช้บริการจากลูกค้าประจำอย่างต่อเนื่อง	5	4	3	2	1

ตอนที่ 5 ความคิดเห็นเกี่ยวกับปัจจัยภายในที่ส่งผลการดำเนินงานของธุรกิจสปาในประเทศไทย

ปัจจัยภายในที่ส่งผลการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด	มาก	ปานกลาง	น้อย	น้อยที่สุด
	5	4	3	2	1
<b>การมุ่งเน้นความสำเร็จเพื่อให้เป็นไปตามเป้าหมาย (Goal Achievement Focus)</b>					
1. กิจการเชื่อมั่นว่าการมุ่งเน้นการบรรลุเป้าหมายในการดำเนินงาน จะช่วยผลักดันให้การบริหารงานขององค์กรเกิดประสิทธิภาพยิ่งขึ้น	5	4	3	2	1
2. กิจการสนับสนุนให้บุคลากรมีการกำหนดเป้าหมายและแนวทางการดำเนินงานอย่างชัดเจนและสอดคล้องกับเป้าหมายองค์กร เพื่อให้การทำงานเป็นไปอย่างราบรื่นและบรรลุวัตถุประสงค์	5	4	3	2	1
3. กิจการเชื่อมั่นว่าการกำหนดนโยบายและกลยุทธ์การดำเนินงานให้สอดคล้องกับเป้าหมายหลักขององค์กร จะทำให้องค์กรประสบความสำเร็จ ทั้งในระยะสั้นและระยะยาว	5	4	3	2	1
4. กิจการส่งเสริมให้บุคลากรเรียนรู้ทำความเข้าใจ วิสัยทัศน์ พันธกิจ และเป้าหมายขององค์กรอย่างถูกต้อง ซึ่งจะทำให้การดำเนินงานขององค์กรประสบความสำเร็จตามเป้าหมาย	5	4	3	2	1
<b>ความสามารถของพนักงานที่มีคุณค่า (Valuable employee competency)</b>					
5. กิจการเชื่อมั่นว่าความสามารถของบุคลากรจะเป็นปัจจัยหลักในการดำเนินงาน ซึ่งจะทำให้องค์กรมีศักยภาพในการแข่งขันได้อย่างยั่งยืนและอยู่รอดได้	5	4	3	2	1
6. กิจการส่งเสริมให้บุคลากรเข้ามามีส่วนร่วมในการทำงาน ซึ่งจะทำให้การบริหารงานขององค์กรบรรลุเป้าหมายและเกิดประสิทธิภาพสูงสุด	5	4	3	2	1
7. กิจการสนับสนุนให้มีการจัดสรรงบประมาณการฝึกอบรมบุคลากรอย่างต่อเนื่อง จะทำให้องค์กรมีบุคลากรที่มีประสิทธิภาพสามารถสร้างผลการดำเนินงานได้เพิ่มขึ้น	5	4	3	2	1
8. กิจการส่งเสริมให้บุคลากรเกิดการเรียนรู้อย่างต่อเนื่อง จะทำให้องค์กรมีบุคลากรที่มีศักยภาพและสามารถสร้างความเจริญเติบโตให้กับองค์กรได้ทั้งในปัจจุบันและอนาคต	5	4	3	2	1

ตอนที่ 5 ความคิดเห็นเกี่ยวกับปัจจัยภายในที่ส่งผลต่อการดำเนินงานของธุรกิจสปาในประเทศไทย (ต่อ)

ปัจจัยภายในที่ส่งผลต่อการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด 5	มาก 4	ปานกลาง 3	น้อย 2	น้อยที่สุด 1
<b>การเรียนรู้ลูกค้าที่ชาญฉลาด (Intelligent Customer Learning)</b>					
9. กิจการเชื่อมั่นว่าความสามารถในการเรียนรู้ทำความเข้าใจความคาดหวังของลูกค้าเป็นอย่างดี จะทำให้องค์กรตอบสนองความต้องการของลูกค้าได้อย่างถูกต้อง	5	4	3	2	1
10. กิจการสนับสนุนให้มีการศึกษา วิจัย ข้อมูลของลูกค้าเพื่อจัดทำฐานข้อมูลของลูกค้าเป็นประจำ จะทำให้องค์กรสามารถตอบสนองความต้องการของลูกค้าได้อย่างรวดเร็ว	5	4	3	2	1
11. กิจการส่งเสริมให้มีการจัดสรรงบประมาณในการสร้างความสัมพันธ์ที่ดีกับลูกค้าซึ่งจะนำไปสู่การเรียนรู้ลูกค้า จะทำให้เกิดการขอรับบริการบริการอย่างดี	5	4	3	2	1
12. กิจการเชื่อมั่นว่าการวิเคราะห์ข้อมูลความต้องการของลูกค้าอย่างต่อเนื่อง จะทำให้องค์กรสามารถเพิ่มประสิทธิภาพในการบริการได้อย่างดีเยี่ยม	5	4	3	2	1
<b>การใช้ความยืดหยุ่นขององค์กร (Corporate Flexibility Implementation)</b>					
13. กิจการเชื่อมั่นว่าการบริหารงานที่สามารถตอบสนองต่อการเปลี่ยนแปลงได้อย่างดี จะทำให้องค์กรมีประสิทธิภาพในการบริหารงาน	5	4	3	2	1
14. กิจการให้ความสำคัญกับการกำหนดวิธีการดำเนินงานที่ตอบสนองต่อความเปลี่ยนแปลงที่เกิดขึ้น จะทำให้องค์กรอยู่รอดได้ทั้งในระยะสั้นและ ระยะยาว	5	4	3	2	1
15. กิจการส่งเสริมให้มีการวิจัยถึงสภาพแวดล้อมที่เปลี่ยนแปลงตลอดเวลา จะทำให้องค์กรประสบความสำเร็จได้อย่างต่อเนื่อง	5	4	3	2	1
<b>ความสามารถในการปรับตัวขององค์กร (Organizational Adaptation Capability)</b>					
16. กิจการเชื่อมั่นว่าการปรับตัวอย่างรวดเร็วขององค์กรภายใต้สภาพแวดล้อมที่มีการแข่งขันสูงและมีความไม่แน่นอน จะทำให้องค์กรสามารถดำเนินธุรกิจได้อย่างมีประสิทธิภาพและอยู่รอดมากขึ้น	5	4	3	2	1

ตอนที่ 5 ความคิดเห็นเกี่ยวกับปัจจัยภายในที่ส่งผลต่อการดำเนินงานของธุรกิจสปาในประเทศไทย (ต่อ)

ปัจจัยภายในที่ส่งผลต่อการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด	มาก	ปานกลาง	น้อย	น้อยที่สุด
	5	4	3	2	1
17. กิจกรรมส่งเสริมให้มีการเรียนรู้และมีความเข้าใจในการพัฒนากระบวนการดำเนินงานเพื่อให้ทันต่อความต้องการของตลาด ซึ่งทำให้กิจการสามารถประสบความสำเร็จตามเป้าหมายและเจริญเติบโตขึ้น	5	4	3	2	1
18. กิจกรรมสนับสนุนให้มีการปรับเปลี่ยนวิธีการบริหารงานอย่างต่อเนื่องเพื่อให้ทันต่อสภาพแวดล้อมที่เปลี่ยนแปลง ซึ่งจะทำให้กิจการสามารถตอบสนองความต้องการของลูกค้าและตลาดได้อย่างดีเยี่ยม	5	4	3	2	1
19. กิจกรรมสนับสนุนให้มีการเรียนรู้การผสมผสานการใช้เทคนิคและเทคโนโลยีใหม่ๆ เข้ามาใช้ในองค์กร จะทำให้กิจการสามารถเพิ่มศักยภาพ ในการแข่งขันได้เป็นอย่างดี	5	4	3	2	1

ตอนที่ 6 ความคิดเห็นเกี่ยวกับปัจจัยภายนอกที่ส่งผลต่อการดำเนินงานของธุรกิจสปาในประเทศไทย

ปัจจัยภายนอกที่ส่งผลต่อการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด	มาก	ปานกลาง	น้อย	น้อยที่สุด
	5	4	3	2	1
<b>การแข่งขันในธุรกิจที่ซับซ้อน (Complex Business Competition)</b>					
1. ในปัจจุบันธุรกิจมีการแข่งขันอย่างรุนแรง ทำให้กิจการต่างๆ ต้องมุ่งเน้นแสวงหารูปแบบกลยุทธ์ใหม่ๆ อยู่เสมอ เพื่อสร้างความโดดเด่นให้กับ การบริการ	5	4	3	2	1
2. ในปัจจุบันธุรกิจมีคู่แข่งเกิดจำนวนมาก ทำให้กิจการต่างๆ ต้องมีการพัฒนาระบบการบริหารงานทั้งเชิงรุกและเชิงรับ เพื่อให้สอดคล้องกับการแข่งขันอยู่เสมอ	5	4	3	2	1
3. ลูกค้ามีความต้องการที่หลากหลาย ทำให้กิจการต่างๆ ต้องปรับเปลี่ยนค้นหาวิธีการบริการใหม่ๆอย่างต่อเนื่อง เพื่อที่จะสามารถตอบสนอง ความต้องการได้อย่างทันทั่วทั้งที่	5	4	3	2	1

ตอนที่ 6 ความคิดเห็นเกี่ยวกับปัจจัยภายนอกที่ส่งผลต่อการดำเนินงานของธุรกิจสปาในประเทศไทย (ต่อ)

ปัจจัยภายนอกที่ส่งผลต่อการดำเนินงาน	ระดับความคิดเห็น				
	มากที่สุด	มาก	ปานกลาง	น้อย	น้อยที่สุด
	5	4	3	2	1
4. ปัจจุบันเทคโนโลยีมีความทันสมัยมากขึ้น ทำให้กิจการต่างๆ สามารถนำเสนอรูปแบบการบริการใหม่ๆ ได้จากการผสมผสานระหว่างบุคลากร ในองค์กรและเทคโนโลยีใหม่ๆ ซึ่งจะทำให้องค์กรมีศักยภาพในการแข่งขัน ที่เหนือกว่าคู่แข่งในตลาดเวลา	5	4	3	2	1

ตอนที่ 7 ข้อคิดเห็นและข้อเสนอแนะเกี่ยวกับการบริหารธุรกิจสปาในปัจจุบันและอนาคต

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ขอขอบพระคุณเป็นอย่างสูงที่ท่านกรุณาใช้เวลาตอบแบบสอบถามทุกข้อ  
และได้โปรดพิมพ์แบบสอบถามและใส่ซองที่แนบมาพร้อมกันนี้ ส่งคืนผู้วิจัยตามที่อยู่ที่ระบุ  
หากท่านต้องการรายงานสรุปผลการสำรวจครั้งนี้โปรดแนบนามบัตรของท่านมาพร้อมกับแบบสอบถาม  
ข้าพเจ้ายินดีจัดส่งรายงานสรุปให้แก่ท่านในภายหลัง

## **APPENDIX E**

### **Cover Letter and Questionnaire: English Version**

**Questionnaire to the Ph.D. Dissertation Research**  
**“Dynamic Service Strategy and the Antecedents and Consequences**  
**: Evidence from Spa Businesses in Thailand”**

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**Dear Sir,**

The objective of this research is to examine the effect of dynamic service strategy on consequences and antecedents on dynamic service strategy of spa businesses in Thailand. This research is a part of doctoral dissertation of Mr. Chattawat Limpsurapong at the Mahasarakham Business School, Mahasarakham University, Thailand.

The questionnaire is divided into 7 parts:

- Part 1 Demographic data of executive of spa businesses in Thailand
- Part 2 General information of spa businesses in Thailand
- Part 3 Opinion on management strategy of spa businesses in Thailand
- Part 4 Opinion on performance of spa businesses in Thailand
- Part 5 Opinion on internal factors that affect management strategy of spa businesses in Thailand
- Part 6 Opinion on external factors that affect management strategy of spa businesses in Thailand
- Part 7 Recommendations and suggestions

Your answer will be kept as confidentiality and your information will not be shared with any outside party without your permission.

If you want a summary of this research, please indicate your e-mail address or attach your business card with this questionnaire. The summary will be mailed to you as soon as the analysis is completed.

Thank you for your time answering all questions. I have no doubt that your answer will provide the valuable information for academic advancement. If you have any questions with respect to this research, please directly contact me.

Sincerely yours,

(Chattawat Limpsurapong)

Ph. D. Student  
 Mahasarakham Business School  
 Mahasarakham University, Thailand

Contact Info:  
 Office No: 043-754333  
 Mobile phone: 087-2155623  
 E-mail: Chattawat2511@hotmail.com.

**Questionnaire to the Ph.D. Dissertation Research**  
**“Dynamic Service Strategy and the Antecedents and Consequences**  
**: Evidence from Spa Businesses in Thailand”**

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**Part 1     Demographic data of executive of spa businesses in Thailand**

1. Gender

☐ Male

☐ Female

2. Age

☐ Less than 35 years old

☐ 35 – 40 years old

☐ 41 – 45 years old

☐ More than 45 years old

3. Marital status

☐ Single

☐ Married

☐ Divorced

4. Education background

☐ Bachelor's degree or lower

☐ Higher than bachelor's degree

5. Working experiences in this firm

☐ Less than 5 years

☐ 5 – 10 years

☐ 11 – 15 years

☐ More than 15 years

6. Average monthly income at present

☐ Less than 30,000 Baht

☐ 30,000 – 45,000 Baht

☐ 45,001 – 60,000 Baht

☐ More than 60,000 Baht

7. Working position at present

☐ Managing director

☐ Managing partner

## **Part 2 General information of spa businesses in Thailand**

### 1. Form of business

- ☐ Limited Company                      ☐ Limited partnership

### 2. Activity of business (Answers have more than 1)

- ☐ Health spa                                      ☐ Beauty spa  
☐ Health spa massages                      ☐ Other (Please specify).....

### 3. Period of time in operation

- ☐ Less than 5 years                              ☐ 5 – 10 years  
☐ 11 – 15 years                                  ☐ More than 15 years Registered

### 4. Number of employees in the organization

- ☐ Less than 15 employees                      ☐ 15 – 20 employees  
☐ 21 – 30 employees                              ☐ More than 30 employees

### 5. Operational capital

- ☐ Less than 5,000,000 Baht                      ☐ 5,000,000 – 10,000,000 Baht  
☐ 10,000,001 – 15,000,000 Baht              ☐ More than 15,000,000 Baht

### 6. Average business revenue per year

- ☐ Less than 5,000,000 Baht                      ☐ 5,000,000 – 10,000,000 Baht  
☐ 10,000,001 – 15,000,000 Baht              ☐ More than 15,000,000 Baht

### 7. Has your firm been awarded for management and outstanding quality?

- ☐ Yes    ☐ No

### 8. Core customers using the services

- ☐ Domestic customers                              ☐ Foreign customers

### **Part 3 Opinion on management strategy of spa businesses in Thailand**

Management strategy	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
<b><u>Service Innovation Generation</u></b>					
1. The firm believes that service innovation creativity should bring firm to response and operation at present and future.	5	4	3	2	1
2. The firm focuses on developing new services should bring firm increase their competitiveness.	5	4	3	2	1
3. The Firm supports the budget to build a fully service innovation for enhance the potential in operate of the firm.	5	4	3	2	1
4. The firm focuses on the creation of a variety of services that is different from competitors in order to response customer needs at present and future.	5	4	3	2	1
<b><u>Service Research and Development Orientation</u></b>					
5. The firm believes that research and development of continuous service so that firm present a model for the new service and responsiveness to customers as well.	5	4	3	2	1
6. The firm focuses on the allocation of its research budget for new services continuously so that firm meets the needs of clients change constantly.	5	4	3	2	1
7. The firm promotes employees present new ideas are always so that firm can increase their capacity to operate more efficiently.	5	4	3	2	1
8. The firm focuses on the use of research and development of new services fully. This puts the service in line with changing needs.	5	4	3	2	1
<b><u>Continuous Service Improvement</u></b>					
9. The firm believes in continuous services improvement so that firm respond to the changing needs of customers and make service modernization.	5	4	3	2	1

**Part 3 Opinion on management strategy of spa businesses in Thailand  
(Continued)**

Management strategy	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
10. The firm focuses on the analysis of continuous service to the firm to improve and offer better service and more efficient.	5	4	3	2	1
11. The firm supports the budget to develop new services so that firm response the needs of markets and customers continually.	5	4	3	2	1
12. The firm promotes personal learn new techniques and technologies continuously so that firm may use to improve the system and concrete service.	5	4	3	2	1
<b><u>Proactive Service Enhancement</u></b> 13. The firm believes that the analysis of the demand for services will in future be used to prepare a business plan to achieve goals and objectives.	5	4	3	2	1
14. The firm focuses on developing new services and features to meet the changing environment to ensure the effective operation of services faster than competitors.	5	4	3	2	1
15. The firm encourages personal to use technology to create innovative new services, quickly, and that efficiently will result in more successful than their competitors.	5	4	3	2	1
16. The firm focuses on its employees to commit to the idea of finding new ways and new ways the company so that firm is growing faster than its competitors in the industry.	5	4	3	2	1
<b><u>Transformational Service Mindset</u></b> 17. The firm believes that the modified form of the new service continuously so that operation of firm is successful over its competitors.	5	4	3	2	1
18. The firm encourages employees to learn to use the service every time so that employees can learn and understand continuously.	5	4	3	2	1

**Part 3 Opinion on management strategy of spa businesses in Thailand  
(Continued)**

Management strategy	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
19. The firm focuses on cultivating the idea of finding the form of new services continuously to meet its customers' needs perfectly.	5	4	3	2	1

**Part 4 Opinion on performance of spa businesses in Thailand**

Performance	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
<b><u>Service Advantage</u></b>					
1. The firm can offer innovative services and advanced features than its competitors.	5	4	3	2	1
2. The firm has a wide range of quality services to customers over the format of its competitors.	5	4	3	2	1
3. The firm can offer model to offer services that are very different before the other competitors at all time.	5	4	3	2	1
4. The firm can add value to customers under a lower cost than competitors.	5	4	3	2	1
<b><u>Service Effectiveness</u></b>					
5. The firm has a service that can respond quickly to customer needs.	5	4	3	2	1
6. The firm can offer information about services correctly and clearly meets the needs of customers quickly.	5	4	3	2	1
7. The firm can succeed in the application of techniques and technologies to improve to increase service high quality.	5	4	3	2	1
8. The firm has conducted research and development of new services to operate and can be used responsive the needs of customers.	5	4	3	2	1

**Part 4 Opinion on performance of spa businesses in Thailand (Continued)**

Performance	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
<b><u>Service Excellence</u></b>					
9. The firm has presentation of the new services that exceed customers' expectations.	5	4	3	2	1
10. The firm has best service model that allows customers mention all the time.	5	4	3	2	1
11. The firm can offer new services and new business opportunities arising from changes in the market before competitors.	5	4	3	2	1
12. The firm has service outstanding performance and exceeds customer expectations consistently.	5	4	3	2	1
<b><u>Customer Satisfaction</u></b>					
13. The firm receives the confidence from a customer; although the new competitor has come up continually.	5	4	3	2	1
14. The firm can attract old customers use our services consistently and regularly.	5	4	3	2	1
15. The firm ensures that customers are adhering to with the serve model of the firm; although others will be new forms arise.	5	4	3	2	1
16. The firm can build the group new customers from group old customer advises to come to use serve.	5	4	3	2	1
<b><u>Customer Acceptance</u></b>					
17. The firm has been recognized as a company that has developed service continuously and consistently.	5	4	3	2	1
18. The firm has been recognized as an innovative service that has the potential to meet the unique and diverse needs of our customers.	5	4	3	2	1
19. Under fierce competition, businesses can operate and survive and be appreciated by customers continuously.	5	4	3	2	1
20. The firm can meet the needs of our customers are well under uncertainty.	5	4	3	2	1
<b><u>Firm Performance</u></b>					
21. The firm has profit from operations to meet the goals and objectives as planned.	5	4	3	2	1

**Part 4 Opinion on performance of spa businesses in Thailand (Continued)**

Performance	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
22. The firm has increased its market share steadily.	5	4	3	2	1
23. The firm has sales growth continuously compared to the past.	5	4	3	2	1
24. The firm has a good performance under conditions of intense competition.	5	4	3	2	1
<b><u>Corporate Survival</u></b>					
25. The firm has service innovation, quality and standard acceptable to the customer continuously.	5	4	3	2	1
26. Overall, the firm has gained from results of operations, growth increased steadily and consistently.	5	4	3	2	1
27. The firm has reputation and recognized by customer and other organizations.	5	4	3	2	1
28. The firm has a quantity uses service from a continuous regular customer.	5	4	3	2	1

**Part 5 Opinion on internal factors that affect management strategy of spa businesses in Thailand**

Internal factors that affect management strategy of business	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
<b><u>Goal Achievement Focus</u></b>					
1. The firm believes that the focus on the goal of the operation will help to encourage the management of the organization more effective.	5	4	3	2	1
2. The firm supports employees to set goals and guidelines are clear and consistent with the goals of the company will run smoothly and achieve the purpose.	5	4	3	2	1
3. The firm believes that the creation of policies and strategies implemented to meet the goals of the organization allows the organization to achieve both short and long term.	5	4	3	2	1

**Part 5 Opinion on internal factors that affect management strategy of spa businesses in Thailand (Continued)**

Internal factors that affect management strategy of business	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
4. The firm encourages people to learn to understand the vision, mission and goals of the organization so that operating of the organization will succeed follow the goal.	5	4	3	2	1
<b><u>Valuable Employee Competency</u></b> 5. The firm believes that the ability of people will be a key factor in the operation of the organization so that the firm has the ability to compete and survive.	5	4	3	2	1
6. The firm encourages employees to participate in the management of the company to achieve the goals of the organization and maximize efficiency.	5	4	3	2	1
7. The firm supports the budget to personnel training continuously so that the firm has capability of personnel for performance growth	5	4	3	2	1
8. The firm encourages people to continued learning so that the firm has a potential of people and can build firm growth in both present and future.	5	4	3	2	1
<b><u>Intelligent Customer Learning</u></b> 9. The firm believes in the ability to learn and understand the expectations of customers so that organizations can meet the needs of their clients properly.	5	4	3	2	1
10. The firm supports research company clients to prepare a database of clients to enable organizations to respond quickly.	5	4	3	2	1
11. The firm promotes the allocation of funds to build a good relationship with the client, who can lead to learning; the customer will lead to the adoption of good service.	5	4	3	2	1
12. The firm believes that analyzing the information needs of its customers so that the firm has an excellence service.	5	4	3	2	1

**Part 5 Opinion on internal factors that affect management strategy of spa businesses in Thailand (Continued)**

Internal factors that affect management strategy of business	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
<b><u>Corporate Flexibility Implementation</u></b>					
13. The firm believes that the administration of the organization can respond well to changes so that the organization is operating effectively.	5	4	3	2	1
14. The company will focus on determining how to respond to changes in the organization to survive in the short and long term.	5	4	3	2	1
15. The firm encourages research activities to the changing environment at all the time so that the firm is continuous succeed.	5	4	3	2	1
<b><u>Organizational Adaptation Capability</u></b>					
16. The firm believes that the rapid adaptation of organization under the environment is highly competitive and uncertain in order to help the firm can operate more effectively and survive.	5	4	3	2	1
17. The firm promotes learning and understanding of processes development for keep pace with market demand so that the firm is succeed and business growth.	5	4	3	2	1
18. The firm supports to changing the method of the administration continues to keep pace with the changing environment in order to help the firm to be able to meet customer needs and markets.	5	4	3	2	1
19. The firm supports to learn the method of to integrate new technologies and techniques to use in a firm in order to the firm can increase competitiveness.	5	4	3	2	1

**Part 6 Opinion on external factors that affect management strategy of spa businesses in Thailand**

External factors that affect management strategy of business	Levels of Agreement				
	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
<b><u>Complex Business Competition</u></b>					
1. In a fierce competition sector enables firms to seek new strategic focus is always to achieve outstanding service.	5	4	3	2	1
2. Currently, there are so many competitors in the business so the firm is interested in developing system to handle both proactive and reactive in order to comply with the competition.	5	4	3	2	1
3. Customers are with diverse needs. So firms must find a way to modify new services continue to meet their needs in a timely manner.	5	4	3	2	1
4. Today's technology has advanced so much so that companies can offer a new service model from a combination of personnel in the organization and new technologies. Thus, the organization has a competitive advantage.	5	4	3	2	1

**Part 7 Kindly give additional comments and suggestions about the spa business management in the present and future.**

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Thank you very much for taking time to complete this questionnaire. Please fold the questionnaire, enclose it in the envelope provided, and return it to the specific address provided.

**APPENDIX F**  
**Letters to the Experts**



ที่ ศธ 0530.10/ 358

คณะกรรมการบัญชีและการจัดการ  
มหาวิทยาลัยมหาสารคาม  
อำเภอกันทรวิชัย จังหวัดมหาสารคาม  
44150

25 เมษายน 2554

เรื่อง ขอความอนุเคราะห์กรอกแบบสอบถาม

เรียน กรรมการผู้จัดการ/หุ้นส่วนผู้จัดการ

ด้วย นายฉัฐวัฒน์ ลิ้มปัสร์พงษ์ นิสิตระดับปริญญาเอก คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม กำลังศึกษาวิทยานิพนธ์ เรื่อง “กลยุทธ์การบริหารเชิงพลวัตรและสาเหตุและผลลัพธ์ที่เกิดขึ้น : หลักฐานจากธุรกิจสปาในประเทศไทย” ซึ่งเป็นส่วนหนึ่งของการทำวิทยานิพนธ์ หลักสูตรปรัชญาดุษฎีบัณฑิต (ปร.ด.) และในการศึกษาในครั้งนี้ได้เน้นให้นิสิตศึกษาข้อมูลด้วยตนเอง ดังนั้น เพื่อให้การจัดทำวิทยานิพนธ์เป็นไปด้วยความเรียบร้อยและบรรลุวัตถุประสงค์ คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม จึงใคร่ขออนุญาตให้ นายฉัฐวัฒน์ ลิ้มปัสร์พงษ์ ศึกษาและเก็บรวบรวมในรายละเอียดตามแบบสอบถามที่แนบมาพร้อมนี้

คณะกรรมการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม หวังเป็นอย่างยิ่งว่าคงได้รับความอนุเคราะห์จากท่านในการให้ข้อมูลในครั้งนี้เป็นอย่างยิ่ง และขอขอบคุณมา ณ โอกาสนี้

ขอแสดงความนับถือ

(รองศาสตราจารย์ ดร.ปณุกษ์ อุตสาหะวาณิชกิจ)

คณบดีคณะกรรมการบัญชีและการจัดการ

มหาวิทยาลัยมหาสารคาม

คณะกรรมการบัญชีและการจัดการ

งานบัณฑิตศึกษา โทรศัพท์ (043) 754333 ต่อ 3431



## บันทึกข้อความ

หน่วยงาน คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม โทรศัพท์ 043-754333-3431 Fax 043- 754422  
ที่ ศธ.0530.10/ วันที่ 8 เมษายน 2554

เรื่อง ขอเรียนเชิญเป็นผู้เชี่ยวชาญตรวจสอบเครื่องมือวิจัย

เรียน อาจารย์ ดร.สุธนา ธัญญ์ชนธ์

ด้วย นายฉัฐวัฒน์ ลิ้มปัสสุพงษ์ นิสิตระดับปริญญาเอก หลักสูตรปรัชญาดุษฎีบัณฑิต (ปร.ด.) คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม กำลังศึกษาวิทยานิพนธ์ เรื่อง “กลยุทธ์การบริการเชิงพลวัตรและสาเหตุและผลลัพธ์ที่เกิดขึ้น : หลักฐานจากธุรกิจสปาในประเทศไทย” ซึ่งเป็นส่วนหนึ่งของการศึกษา ตามหลักสูตรปรัชญาดุษฎีบัณฑิต ดังนั้น เพื่อให้การดำเนินการเป็นไปด้วยความเรียบร้อยและบรรลุตามวัตถุประสงค์ คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม จึงใคร่ขอความอนุเคราะห์จากท่านเป็นผู้เชี่ยวชาญตรวจสอบเครื่องมือวิจัยและข้อเสนอแนะเพื่อนำข้อมูลที่ได้ไปดำเนินการทำวิทยานิพนธ์ต่อไป ตามเอกสารแนบท้าย

จึงเรียนมาเพื่อโปรดพิจารณา

(รองศาสตราจารย์ ดร.ปพฤกษ์ อุตสาหะวานิชกิจ)  
คณบดีคณะการบัญชีและการจัดการ



## บันทึกข้อความ

หน่วยงาน คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม โทรศัพท์ 043-754333-3431 Fax 043- 754422  
ที่ ศธ.0530.10/ วันที่ 8 เมษายน 2554

เรื่อง ขอเรียนเชิญเป็นผู้เชี่ยวชาญตรวจสอบเครื่องมือวิจัย

เรียน ผู้ช่วยศาสตราจารย์ ดร.สุภพงษ์ ปิ่นเวหา

ด้วย นายฉัฐวัฒน์ ลิ้มปัสร์พงษ์ นิสิตระดับปริญญาเอก หลักสูตรปรัชญาดุษฎีบัณฑิต (ปร.ด.) คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม กำลังศึกษาวิทยานิพนธ์ เรื่อง “กลยุทธ์การบริการเชิงพลวัตรและสาเหตุและผลลัพธ์ที่เกิดขึ้น : หลักฐานจากธุรกิจสปาในประเทศไทย” ซึ่งเป็นส่วนหนึ่งของการศึกษา ตามหลักสูตรปรัชญาดุษฎีบัณฑิต ดังนั้น เพื่อให้การดำเนินการเป็นไปด้วยความเรียบร้อยและบรรลุตามวัตถุประสงค์ คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม จึงใคร่ขอความอนุเคราะห์จากท่านเป็นผู้เชี่ยวชาญตรวจสอบเครื่องมือวิจัยและข้อเสนอแนะเพื่อนำข้อมูลที่ได้ไปดำเนินการทำวิทยานิพนธ์ต่อไป ตามเอกสารแนบท้าย

จึงเรียนมาเพื่อโปรดพิจารณา

(รองศาสตราจารย์ ดร.ปภักษ์ อดสาหะวานิชกิจ)  
คณบดีคณะการบัญชีและการจัดการ

## **VITA**

## VITA

**NAME** Chattawat Limpsurapong  
**DATE OF BIRTH** February 12, 1968  
**PLACE OF BIRTH** Bangkok, Thailand  
**ADDRESS** 1/112, Moo 6, Tambol Tungsonghong, Luksi,  
Bangkok, 10210  
**POSITION** Lecturer in Business Administration (Management)  
**PLACE OF WORK** Faculty of Liberal Arts and Management Sciences  
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Thailand

## EDUCATION BACKGROUND

1995 Bachelor's Degree of Science (B.S. in Money and Bank)  
Ramkhamhaeng University, Thailand  
2000 Master's Degree in Business Administration (Management)  
Ramkhamhaeng University, Thailand  
2011 Doctor of Philosophy in Management  
Mahasarakham University, Thailand

## RESEARCH

2010 Chattawat Limpsurapong, Phapruke Ussahawanichakit, 2010,  
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an Empirical Study of Computer Spare Parts Businesses in  
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“Dynamic Service Strategy and the Antecedents and  
Consequences: Evidence from Spa Businesses in Thailand”,  
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