

The 7Ps Classification of the Services Marketing Mix Revisited: An Empirical Assessment of their Generalisability, Applicability and Effect on Performance - Evidence from Jordan's Services Organisations

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ABSTRACT

The purposes of this research are: (a) to investigate the generalisability of Boom and Bitner's (1981) services Marketing Mix Paradigm (SMM), 7Ps, and (b) to examine the effect of SMM on business performance in Jordan's services organisations. A quantitative methodology was adopted in which a structured questionnaire was developed and distributed to a sample of 164 marketing managers in Jordan's services organisations. With a response rate of 91.2%, 146 questionnaires were returned and were valid for data analysis. Structural equation modeling was used to test the research model and hypotheses. The empirical findings of exploratory and confirmatory factor analyses indicate that the 7Ps of the SMM are found to be only 5Ps in the Jordanian context. Structural paths analyses findings indicate that the 5Ps of SMM have a positive and significant influence on Jordan's service organisations performance. The findings also indicate that the strongest predictors of the 5Ps model on performance are people (the service providers), service price and service distribution, respectively. A major finding is that the expanded 3Ps (people, process, physical evidence) of SMM have loaded on only one factor named as "people", meanwhile the 4Ps of traditional marketing mix loaded on four factors as theoretically proposed. Managers should adopt the 5Ps of SMM but the fifth P (people) should include the expanded 3Ps (people, process, physical evidence) as an integrated approach to achieve intended performance levels. However, the research model is developed and tested in Jordan's services organisations which may limit its generalisability to other service industries without further examination. The major contribution of this study is that it is the first quantitative empirical study that has examined the SMM model elements and their effect on business performance in the Jordanian context.

Keywords: Services Marketing Mix, 7Ps, 4Ps, People, Services, Business Performance, Jordan.

INTRODUCTION

Marketing strategy literature indicates that market segmentation, positioning and, fully-integrated marketing mix strategies are major components of a successful marketing strategy for today's businesses (Webster, 1992; Ennew and Watkins, 1992; McDonald, 2002). Fully-integrated and coherent marketing mix strategies form the major part of a successful marketing

strategy. A significant body of literature has revealed that the 4Ps of the marketing mix have come under criticism by many marketing scholars from different perspectives e.g., services marketing and relationship marketing scholars. For services businesses, the traditional marketing mix framework should be expanded to include the other 3Ps (people, process and physical evidence) as strategic elements, which affect companies' performance. There is a general agreement among marketing scholars that services organisations do need the expanded Services Marketing Mix (SMM)

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model as a generic marketing framework, but there is no agreement whether these elements should be separate in the 7Ps model or should be incorporated within the traditional 4Ps of the marketing mix. Given the significance of this argument, there is a need to conduct more empirical research in the area of the SMM among service businesses in order to present empirical evidence to reveal if the new or expanded elements of the SMM should be strategic distinct elements or incorporated within the traditional marketing mix elements, 4Ps.

A number of researchers in the marketing field (e.g., Day and Montgomery, 1999; Deshpande, 1999; Varadarajan and Jayachandran, 1999; Akroush, 2006) argue that one of the challenges facing the academic marketing research is that the generalisability of the marketing models, theories and concepts, which have been developed in the U.S. and Western environments, the need to be validated within other business cultures and countries. They also argued that the extent to which strategy-performance relationships are generalisable in the larger international context, and/or in other market contexts remains under researched. Based on these calls, there is a need to conduct marketing research projects in business environments in developing countries in order to examine these marketing theories, models and concepts if they are generalisable and applicable to developing countries and within individual services industries e.g., one of these vital models is the SMM model. Hence, based on the preceding discussion, relevant literature of the SMM and business performance, this research is designed to answer a number of questions as follows:

1. What are the services marketing mix elements in services businesses operating in the Jordanian market?
2. Are the 7Ps of the services marketing mix elements generalisable in services businesses operating in Jordan?

3. Is there a relationship between the services marketing mix elements and services business performance measured by financial and customer measures?

4. What are the most influential elements of the services marketing mix elements on services businesses performance?

Research Objectives

Based on the research questions and relevant literature of the SMM and business performance, the research objectives are:

1. To reveal the services marketing mix elements in services businesses operating in the Jordanian market.
2. To examine if the 7Ps of the services marketing mix elements are generalisable in services businesses operating in Jordan.
3. To examine the relationship between the services marketing mix elements and service business performance measured by financial and customer measures.
4. To reveal the most influential elements of the services marketing mix elements on service businesses performance.

Literature Review

The Traditional Marketing Mix Debate

It is known that Borden (1964) introduced the marketing mix concept through describing a marketer as a mixer of ingredients in practicing company activities. However, the formal use of the marketing mix model in the marketing context was presented by McCarthy (1964) who proposed the 4Ps of the marketing mix ingredients model, which are product, price, promotion and place. A marketer should make a combination of these elements to create a distinctive marketing mix by which a company may achieve its objectives. McCarthy's model has become one

of the most popular frameworks in marketing theory (Cowell, 1984; Van Waterschoot and Van den Bulte, 1992; Kotler, 1999). The marketing mix is considered one of the core concepts of marketing (Rafiq and Ahmed, 1995; Van Waterschoot, 1999; Ziethaml and Bitner, 2000). However, the 4Ps of the marketing mix have been criticised by a number of services marketing scholars from different perspectives (Booms and Bitner, 1981; Judd, 1987; Gummesson, 1991; Gronroos, 1996; Gombeski, 1998; O'Malley and Patterson, 1998; Day and Montgomery, 1999; Kotler, 1999; Zeithaml and Bitner, 2000; McDonald, 2002). Furthermore, the traditional 4Ps model is considered to be a handy mnemonic model and easy to remember (O'Malley and Patterson, 1998). For example, Booms and Bitner (1981) forwarded the most intense criticism related to the 4Ps marketing mix paradigm. They argued that the traditional marketing mix model is inadequate for services marketing context especially with the existence of the unique characteristics of services. Booms and Bitner (1981) had modified and expanded the traditional marketing mix elements from 4Ps to become 7Ps by adding another three new Ps which are "people", "process" and "physical evidence". These new marketing variables are fundamental marketing variables for the success of any service company. Furthermore, Cowell (1984) questioned whether the new elements of the expanded SMM are relevant to be distinct elements. The additional three Ps can be incorporated within the existing framework of the 4Ps, especially if the importance of the augmented product rather than the generic or core product is recognised. The physical evidence can be incorporated within the product and promotion; meanwhile, the process can be incorporated within the place (distribution) element (Cowell 1984). Despite these criticisms, Cowell (1984) implicitly adopted the framework of the 7Ps of the SMM (Ennew and Watkins, 1992). Magrath (1986) argued that the four Ps are not enough for the marketing of services. There are another

three Ps, which are personnel, physical facilities and process management, to be considered as strategic elements about which management should pay attention. Failure to focus adequately on these 3Ps can spell disaster for service companies. Judd (1987) argues that employees should be recognised as a distinctive element of the marketing mix and as an integral part of marketing strategy. Managing people as a distinctive element of the marketing mix can gain a competitive advantage for the organisation. When an organisation operates in a marketplace where the traditional Ps cannot be differentiated or perceived undifferentiated people are considered as a crucial factor for creating a favourable perception in the customers' minds, which may differentiate it from its competitors. Marr (1987) argued that the customer service should be viewed as a fifth element alongside the 4Ps of the marketing mix to become five elements. He argued that customer service is a crucial element to achieve a company's marketing success and can play a crucial part of a non-price competitive strategy. Beaven and Scotti (1990) argued that the traditional 4Ps of the marketing mix model are considered very narrow and simple within the services marketing context and services marketers should think in service oriented thinking not within the manufacturing thinking.

In the same vein, Gronroos (1991) argued that the marketing concept is predominantly related to the exchange concept and leads to the use of the marketing mix. Another approach has been introduced which is concerned with the development of long-term customer relationships with the company's customers and its other parties such as its suppliers and distributors. Gummesson (1991) criticised the traditional marketing mix model and trials to incorporate additional variables to extend it to be appropriate to the services marketing context. He suggested the concept of part-time marketers and their crucial role in creating a market-oriented company. By part-time marketers, he means that all people who are

considered non-marketers who interact and influence customer relations, customer satisfaction, customer perceived quality, and company's revenues. Collier (1991) argued that the 4Ps traditional model should be expanded to become the 7Ps services management. These 7Ps can be used to formulate a marketing strategy by which a service company can achieve a competitive advantage. Each one of the 7Ps of the service management paradigm can be viewed as an opportunity to gain competitive advantage and define business strategy. Smith and Saker (1992) argued that the marketing mix elements are considered an essential element of any marketing strategy. They argued that the traditional 4Ps model should be extended to include the other 3Ps. These 3Ps are considered very important and they affect the perceived quality of service. Gronroos (1994; 1996) emphasised that even the marketing mix that has dominated marketing for a long time is declining; this does not mean that the marketing mix elements themselves are less important than before. Even with this explanation for the marketing mix elements he forwarded another criticism, which is that the marketing mix model focuses on the seller side by considering him as active and does not focus on the buyer by considering him as passive. The marketing mix model supposes that the markets are homogenous; meanwhile, the markets are in reality heterogeneous.

Rafiq and Ahmed (1995) conducted an exploratory survey among the UK and European marketing academics to generate insights regarding the 7Ps as a generic framework for services marketing. The most important results were (a) inadequacy of the traditional 4Ps of the marketing mix model for services marketing. (b) The study sample had strongly agreed and accepted the 7Ps of the SMM as a generic framework for services marketing. (c) While there was a general support for the 7Ps as a generic marketing mix framework, there was no

uniform support for the new three variables. "People" was strongly accepted, "process" was accepted but less than accepting people, "physical evidence" generated the least support among the other six variables. (d) The study also showed strengths and weaknesses of the 4Ps and 7Ps marketing mix models. The most important strength in the 7Ps model was its comprehensiveness and mentioning the people element as an essential part of it, meanwhile, this comprehensiveness was seen as a source of weakness because it adds some complexity to the model. However, Rafiq and Ahmed (1995) stated that it was expected that there would be a great degree of dissatisfaction with the 4Ps framework, meanwhile it was not expected that the Booms and Bitner's framework would be accepted as a general framework for marketing as this study showed. Meanwhile, there has not been any empirical research that has been conducted in this area to validate this model or not. Harvey et al. (1996) had broadened the traditional marketing mix elements by adding another 5Ps which are publics, performance, politics, probability and planning. More recent perspectives on the traditional marketing mix theory have been proposed by some Scandinavian scholars who joined this debate. Hakansson and Waluszewski (2005) have reinterpreted the 4Ps by focussing on a more customer oriented approach (product), interaction with customers (promotion), value creation (place) and satisfaction (product and price). More recently, Zineldin and Philipson (2007) have found that the traditional marketing mix theory is an essential requirement for building and sustaining relationships with customers.

The Services Marketing Mix Contemporary Perspectives

While there has been much criticism of the traditional 4Ps of the marketing mix model, a number of

recent views have joined this debate. Gombeski (1998) criticised the marketing mix elements, as they are too restrictive, their approach oversimplifies marketing while most organisations are facing a complex business environment, and they are too narrow to develop a services marketing programme. As a consequence, he suggested an alternative model, which included internal marketing, benefit development, product development, targeting, channels, differentiation, selling and positioning. O'Malley and Patterson (1998) extensively criticised the 4Ps marketing mix model. Borden's original model was criticised in terms that it was not a comprehensive or exhaustive model, and McCarthy's model was criticised since it became a simple formula for pedagogical purposes. Adding or finding out new alternative mixes cannot deal with the new changing business environment, which requires integration, co-operation and flexibility between the organisation and its environment. However, while some marketing scholars have extensively criticised the traditional marketing mix model as well as sometimes criticising SMM model, Ennew and Watkins (1998) argued that much of the empirical research on the SMM focused on a specific problem or focused on problems which are related to the unique characteristics of services, not on the real practice of marketing management. As a consequence, studies of the SMM tended to concentrate attention on the conceptual development of the mix as a response to service features rather than as a result of extensive empirical observation of the practice of marketing management.

On a more complicated level, some perspectives said that the other 3Ps of the SMM could be incorporated within the traditional marketing mix model and, within services industries, they could be considered as special themes to deal with the unique characteristics of services (Cowell, 1984; Ennew and Watkins, 1992; Ennew and

Watkins, 1998). It is argued that recognising the importance of the unique characteristics of services and the pivotal role of the other 3Ps of the SMM in the marketing strategy, they should be represented as distinct and strategic elements (Booms and Bitner, 1981; Cowell, 1984; Judd, 1987; Collier, 1991; Smith and Saker, 1992; Rafiq and Ahmed, 1995; Lovelock, 2001). In order to deliver the overall service offer to a target market, the marketing mix elements should be coherent, co-ordinated, integrated and consistent with each other to produce the synergistic effect of them.

Deshpande (1999) argued that most marketing problems are not local marketing problems but are global. Marketing needs are to be understood in different cultures and contexts. This view is totally supported by Day and Montgomery (1999) who commented that the traditional 4Ps marketing mix model lacked recognition as an innovative and adaptive process, and even more the traditional 4Ps elements were seen merely as a handy framework. Goldsmith (1999) suggested another element to the 7Ps of the SMM concept, which is personalisation. Yelkur (2000) developed a model that suggested the possible effect of each element of the services marketing mix model on the customer's perception of the service. He argued that the customer experiences the service through the critical elements of the SMM that influence customer expectations. These elements, according to Yelkur, are place, physical evidence, participants, and process. Yelkur (2000) argued that these elements alongside the product, price and distribution elements have a potential to affect customer satisfaction. Although this model has adopted and supported the 7Ps of the services marketing model, it did not present empirical evidence; it was theoretical. Furthermore, Baker (2000) argued that despite some criticisms of the 4Ps of the marketing mix model, especially, by Van Waterschoot (1999), the model should be extended to include a fifth

P-people. He argued that adding the people element to this model may be appropriate because putting people into marketing is essential for achieving a competitive advantage.

Baker (2000) advocated that while the debate on the application of the marketing mix is to be welcomed, one should be careful not to discard it prematurely because of perceived weaknesses. He pointed out that marketing could be defined as 'mutually satisfying exchange relationships', then, careful attention must be paid not to tip the balance too much in the favour of the buyer. Indeed, Baker viewed the traditional 4Ps marketing model as a useful simplifying tool that enables marketing managers to impose some structure and direction on the tasks which they must perform. Lovelock (2001) argued that the SMM should be eight Ps. The eighth P is productivity and quality. More recently, McDonald (2002) argued that some reformulations of the four Ps should take place to include other elements such as provision of customer service, people and process. He argued that every aspect of customer interaction needs to be planned. The elements of people and processes should be planned, but they are recognised as arising from the consideration of the customer-focus four Ps by enquiring what changes to these elements are necessary in order to achieve the desired product offering, price, place or promotion. Although there has been much criticism of the marketing mix model, Baker (2000) argued that despite this, it is intended to be a useful generalisation for academic purposes and to help managers to think about marketing rather than a "theory" of marketing. Therefore, this concept does not hold the notion that it is a marketing theory, and if there is any failure in the marketing theory, this concept cannot be blamed for this failure (Van Waterschoot, 1999; Baker, 2000).

Akroush et al. (2005) carried out a study on the effect

of SMM elements on customers' satisfaction in the comprehensive motor insurance sector in Jordan. The study found that (a) there was a strong and positive relationship between the SMM components collectively, 7Ps, and customers' satisfaction. (b) There was a strong and positive relationship between the new components of SMM, namely; people, processes and physical evidence, 3Ps, (individually and collectively) and customers satisfaction. In general, the 3Ps effect on customers' satisfaction was found stronger than the effect of the traditional marketing mix components 4Ps. Zeithaml et al. (2006) proposed another way to address the challenges of services marketing through thinking creatively about an expanded marketing mix for the future. They argued that the new SMM elements, people, process, and physical evidence, are included in the marketing mix as separate elements because they are within the control of the company and any or all of these elements may influence the customer's initial decision to purchase a service, as well as, the customer's level of satisfaction and repurchase decisions. Akroush (2006) carried out another study in which a critical examination was carried out on the SMM literature review. He found that there is a need to conduct more research in the area of the SMM among services businesses in order to present empirical evidence to reveal if the new or expanded elements of SMM should be strategic distinct elements or incorporated within the traditional marketing mix elements, 4Ps. Furthermore, Akroush concluded that there is a need to investigate the SMM paradigm, 7Ps, among service businesses in order to reveal if this paradigm is valid as a generic framework for the marketing of services. It is very clear that the debate on the traditional marketing theory (i.e., transactional marketing) and relationship marketing (i.e., a paradigm shift) is far from over. Recent empirical evidence has found that there is no company that exclusively used

relationship marketing approach in its marketing activities and operations. Rather, companies used either the traditional marketing mix theory; meanwhile others blended a relationship and transactional marketing mix (Zineldin and Philipson, 2007). Willcocks (2008) attempted to explore the application of marketing techniques and tools in the UK's health care sector with a special focus on the marketing mix elements as well as relationship marketing. He found that applying marketing in the health care sector is of high value and could lead to achieve a leadership in the health care market/sector in the UK. Corkindale and Belder (2009) examined the mediating role of corporate brand on the marketing mix in the context of medical services provided online in the Australian market. The study found that the strength of a corporate brand possessed by a supplier can influence the likelihood of adoption of their innovative new services by potential customers, in an online context. Stronger corporate brands are likely to be a stronger mediator of the effect of the marketing mix activities on current market response.

Company Performance

The literature on performance revealed that there is neither one single criterion nor a set of criteria approved between marketing strategy scholars for performance assessment (Venkatraman and Ramanujam, 1986;

Venkatraman, 1990; Clark, 1999). Marketing strategy researchers have generally agreed that business performance assessment is complex, problematic and troublesome (Dess and Robinson 1984; Deshpande` et al., 1993; Hooley et al., 1999; Fahy et al., 2000). Company's performance should be assessed multidimensionally in a broader perspective of business performance conceptualisation in order to recognise different aspects of a company's marketing strategy. This has been supported by an extensive amount of marketing strategy research (Venkatraman, 1990; Deshpande` et al., 1993; Doyle and Wong 1998; Menon et al., 1999; Varadarajan and Jayachandran, 1999; Fahy et al., 2000). Consequently, building on the performance literature review, it has been argued that there is a need to use a combination of both financial and non-financial criteria for company performance assessment in order to maximise the advantages for both (Cravens et al., 1998; Clark, 1999; Varadarajan and Jayachandran, 1999).

Research Model and Hypotheses Development

Based on the research objectives and literature review of the SMM and business performance, this paper has developed a model to be tested in service businesses operating in Jordan. Figure 1 shows the proposed model.

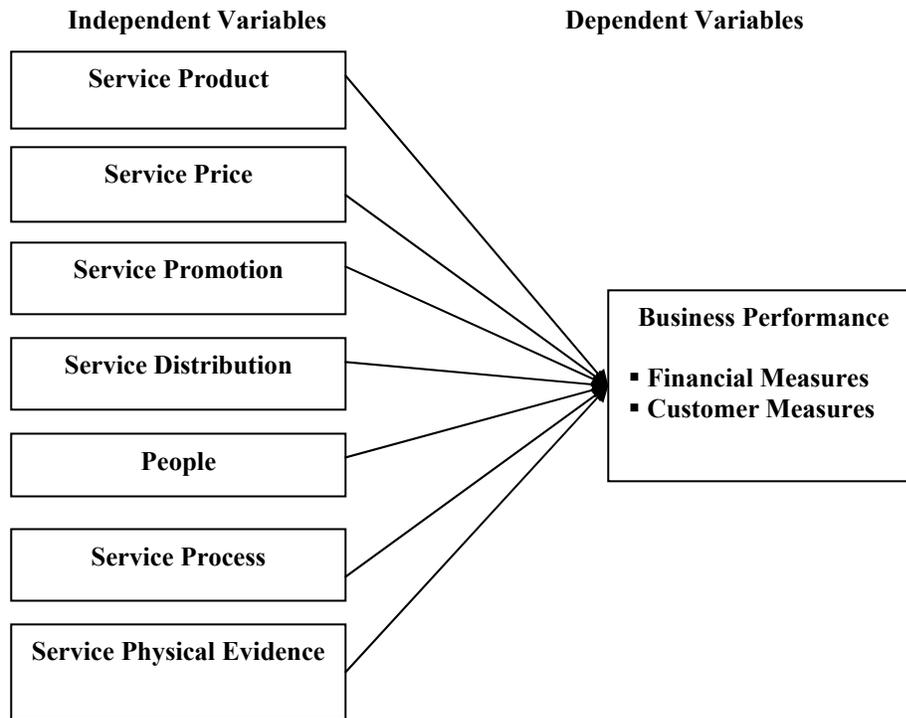


Figure 1 The Proposed Research Model

Hypotheses Development

The examination of marketing strategy literature has indicated that the 4Ps are not enough to formulate a marketing strategy in service businesses (e.g., Booms and Bitner, 1981; Gronroos 1994; Rafiq and Ahmed, 1995; Gombeski, 1998; O'Malley and Patterson, 1998; Day and Montgomery, 1999). A major argument in this research is that the new elements of the expanded SMM framework, namely; people, process, and physical evidence should be separate, distinct, and strategic variables in the services marketing mix framework as well as in the service marketing strategy variables. This argument has had substantial support in the services marketing literature (e.g., Booms and Bitner, 1981; Cowell, 1984; Magrath, 1986; Judd, 1987; Collier, 1991; Rafiq and Ahmed, 1995; Zeithaml and Bitner, 2000;

Lovelock, 2001; AL-Dmour and Ayesh, 2005; AL-Khateeb, 2009). The rationale behind the new 3Ps is that services have unique characteristics that create problems and challenges in service businesses, which require the 3Ps to cope with them (e.g., the interactions between a service provider and a customer during the service delivery process). Furthermore, a substantial body of services marketing research indicated that service businesses require special marketing strategies which are different from those used in the marketing of goods. This argument has also been supported by many marketing scholars (Berry, 1980; Booms and Bitner, 1981; Levitt, 1981; Cowell, 1984; Zeithaml et al., 1985; Ennew and Watkins, 1992; Ennew and Watkins, 1998; Kasper et al., 1999; Zeithaml and Bitner 2000). The unique characteristics of services create special problems and

challenges that require special marketing strategies to cope with them. As a consequence, the 7Ps of the SMM framework should formulate the major components of the marketing strategy in services companies. This may enable the 7Ps of the SMM framework to overcome some of the criticisms that have been forwarded by scholars of the relationship marketing approach. Moreover, it is argued that there has not been any empirical research study which has investigated the generalisability of the 7Ps of the SMM framework together or to investigate the effect of this framework's components on companies' performance (Rafiq and Ahmed, 1995). Furthermore, there has been a small number of studies which have investigated the elements of either the traditional marketing mix or the SMM framework together (e.g., Zeithaml, Parasuraman, and Berry, 1985; Akaah and Riordan, 1988; Pheng and Ming, 1997; Appiah-Adu, 1998; Doyle and Wong, 1998; Appiah-Adu, 1999; AL-Dmour and Ayesh, 2005; AL-Khateeb, 2009). These studies have not investigated all aspects of the SMM framework neither the 7Ps elements of this model together nor their effect on companies' performance measured multidimensionally. Hence, it can be hypothesised that:

H1: There is a positive and significant relationship between the services marketing mix elements and companies financial performance.

H2: There is a positive and significant relationship between the services marketing mix elements and companies customer performance.

Constructs Operationalization

The Services Marketing Mix Components

Service Product is defined as the extent to which a service organisation develops a comprehensive service offer to meet customers' needs and requirements in highly competitive markets. It is operationally defined as

high quality and branding of services (e.g., Aaker, 1996; Doyle, 1999; Tilley, 1999; Harris and de Chernatony, 2001) introducing new services (e.g., Edgett and Parkinson, 1994; Kelly and Storey, 2000; Storey and Kelly, 2001) and superior customer service (Reichheld and Sasser, 1990; Wong and Perry, 1991; Christopher, 1999; Lovelock, 2001). As shown in table (1), six items were used to operationalise this construct.

Service Price is operationally defined as the extent to which a service organisation practices pricing policies and activities in setting a service price (Zeithaml et al., 1985; Zeithaml, 1988; Berry and Yadav, 1996; Yulkur and Herbig, 1997; Carson et al., 1998). As shown in table (1), five items were used to operationalise this construct.

Service Promotion is defined as the extent to which a service organisation uses the components of promotion activities and elements in formulating a service promotion strategy (Bitner, 1992; Peattie et al., 1997; Amis et al., 1999; Ennew, Banerjee, and Li, 2000). As shown in table (1), six items were used to operationalise this construct.

Service Distribution is defined as the extent to which a service organisation uses distribution channels and activities in setting a service distribution strategy (Friars et al., 1985; Howcroft, 1993; Daniel and Storey, 1997; Easingwood and Storey, 1996; 1997; Thornton and White, 2001). As shown in table (1), seven items were used to operationalise this construct.

People (the service providers) is defined as the extent to which a service organisation is customer oriented in practising its business; putting the customer at the heart of business activities (Drucker, 1968; Zeithaml et al., 1985; Narver and Slater, 1990; Deshpande et al., 1993; Slater and Narver, 1994; Chang and Chen, 1998; Doyle, 1999). As shown in table (1), seven items were used to operationalise this construct.

Service Process is defined as the extent to which a service organisation has set a customer oriented and systematic procedures for a successful service delivery process. The process dimension refers to the actual procedures, mechanisms and flow of activities by which the offering is delivered (Booms and Bitner, 1981, p.48). It is operationally defined based on (Cowell, 1984; Shostack, 1984; Zeithaml et al., 1988; Danaher and Mattsson, 1994; Kasper et al., 1999; Verma, 2000). As shown in table (1), five items were used to operationalise this construct.

Service Physical Evidence is defined as the extent to which a service organisation is interested in creating a customer friendly atmosphere in their working environment (Booms and Bitner, 1981; Bitner, 1990, 1992; Kasper et al., 1999). As shown in table (1), four items were used to operationalise this construct.

Company Performance

Company performance was assessed on the basis of managers' subjective evaluations for three reasons. First, it is argued that business performance can be assessed by using management self-report assessments (subjective assessment), which has been proved to be equivalent to those of quantitative assessment (objective assessment). Second, the literature advocated that the subjective approach is a reliable and valid method of measuring marketing performance (e.g., Doyle and Wong, 1998). Business performance should be assessed multidimensionally in a broader perspective of business performance conceptualisation in order to include different aspects of a company's marketing mix strategies. Consequently, organisational performance is defined as a multidimensional construct including financial and non-financial related measures (Kaplan and Norton, 1992). Organisational performance operationalisation is conducted based on the work of

(Kaplan and Norton, 1992; Deshpande et al., 1993; Doyle and Wong, 1998; Menon et al., 1999; Varadarajan and Jayachandran, 1999). Financial performance is operationalised as the extent to which a service company uses financial indicators to assess the effect of the SMM elements on financial performance compared with close competitors over the last four years. As shown in table (1), 6 items were used to operationalise this dimension. Customer performance is operationalised as the extent to which a service company uses customers' measures to assess the effect of the SMM elements on its customer performance compared with close competitors over the last four years. As shown in table (1), 4 items were used to operationalise this dimension.

Research Methodology

Research Population and Sample

The research population is defined as all the service organisations that are listed and registered at Amman Stock Exchange Market (ASEM, www.ase.com.jo) in 2009 as well as are operating in Jordan. According to ASEM, there are 178 services organisations listed and active which represent the majority of services industries in Jordan. The contact details of the listed service organisations were obtained from ASEM and the Ministry of Trade and Industry, Jordan. The 178 services organisations were called and invited to participate in the research survey. The services organisations that agreed to be part of this survey were 164, and all their headquarters were located in Amman; the capital of Jordan. The questionnaire was sent to each marketing manager or director (or the manager involved in marketing activities) in each service company who is officially in charge of the service company's marketing activities. Then, the unit of analysis in this research was "the service company" represented by its "marketing manager or director". Each marketing manager was

asked in the first part of the questionnaire the extent to which his organisation "*actually*" practices the activities of the 7Ps of the SMM while planning the 7Ps elements to achieve his organisation's objectives. Then, each marketing manager was asked to evaluate the impact of the 7Ps activities on his company's performance using financial and customer measures compared with close competitors over the last four years.

Questionnaire Design and Data Collection

Data were collected using a self-completion questionnaire which was developed based on previous empirical research. The questionnaire was highly structured where most of its questions were fixed-response alternative questions that required the respondents to select from responses which are located by using five point Likert scale. The type of research is a single cross-sectional design in which the collection of data from respondents (managers) was carried out only once. The questionnaire was developed based on guidelines provided by marketing researchers (e.g., Aaker et al., 2001) and based on previous empirical research in the field of SMM and performance. The design of the questionnaire was tested through the pilot study work on a judgmental sample of leading service companies' managers, which was not included in the final analysis. In addition, academics in Jordanian universities were also consulted to examine the relevancy of the questionnaire to the study objectives. Hard copies of the questionnaires were personally delivered to the companies' headquarters and the objectives of the research were explained to each one. All the marketing managers who participated in the survey were reminded twice using emails and phone calls. The delivered questionnaires were 160. The returned and valid questionnaires were 146. The response rate was 91.2%. Finally, the data collection

process lasted four-months (March-June, 2009).

Constructs Validity and Composite Reliability

The face validity was achieved through the pilot work of the research instrument with managers in leading service businesses as well as five academics from reputable business schools in Jordan who checked the relevance and appropriateness of the instrument to achieve the research objectives providing evidence of face validity. Content validity is achieved by the procedures that are used to develop the research instrument, which are: (a) conducting a thorough examination of the previous empirical and theoretical work of the SMM and business performance, upon which the operational definition for each variable was made, using multiple items to capture all its attributes; and (b) conducting the pilot study before starting the fieldwork. With regard to construct validity, as recommended by Hair et al. (1998), Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were used to assess construct validity. Thus, EFA was performed to test the SMM components and other constructs to test the degree to which the items are tapping the same concept. To assess the EFA, four commonly used assumptions were followed (Field, 2000; Hair et al., 1998): sampling adequacy (Kaiser-Meyer-Olkin measure greater than 0.5); the minimum Eigenvalue for each factor to be one; considering the sample size, factor loading of 0.40 for each item was considered as the threshold for retaining items to ensure greater confidence; and varimax rotation was used since it is a good general approach that simplifies the interpretations of factors (Field, 2000, p. 449). Statistical Package for Social Sciences (SPSS) shows which variables 'clump together'. It has been recommended that CFA, derived from Structural Equation Modelling (SEM), is a more rigorous test of unidimensionality

(Garver and Mentzer, 1999, p. 40). Thus, CFA was also utilized to confirm or refine the unidimensionality of measurements that resulted from the EFA. To assess the CFA, goodness of measurement model fit using SEM was followed (Chau, 1997, p. 318): Chi-square ($P \geq 0.05$); goodness-of-fit index ($GFI \geq 0.90$); adjusted goodness-of-fit index ($AGFI \geq 0.80$); normed fit index ($NFI \geq 0.90$); non-normed fit index ($NNFI \geq 0.90$); comparative fit index ($CFI \geq 0.90$); standardised root mean-square residual ($SRMR \leq 0.08$); and Root Mean Square Error Of Approximation ($RMSEA < 0.10$). Factor loadings are the correlations of the variables with the factor, the weighted combination of variables which best explains the variance. Higher values (e.g. more than 0.40) make the variable representative of the factor (Hair et al., 1998, p. 106).

Table (1) shows the results of EFA for the SMM components. An index of Kaiser's measure of sampling adequacy (overall $MSA = 0.853$) and Bartlett's test of Sphericity ($p \leq 0.000$) suggested that factor analysis is appropriate for analysing the data. Based on the eigenvalue greater than 1, five-factor model of SMM is extracted which explains 67.287% of the total variance. After examining the pattern matrix of the EFA, all items had loadings greater than 0.4 and communalities greater than 0.5. As shown in table (1), results of EFA indicate that the 7Ps of the SMM loaded on only five factors which are NOT consistent with the 7Ps model as suggested by services marketing scholars. EFA results show that the traditional marketing mix elements, 4Ps, loaded on four factors, meanwhile the expanded elements, 3Ps, of the SMM loaded on one factor which is named as "people" since there is a strong emphasis on the human element in services marketing to handle the unique characteristics of services. However, EFA results show that four items were deleted due to weak factor

loadings; one item from service product (coded as SP1), one from service pricing (coded as SPRI5), one item from service promotion (coded as SPRO6), and one item from service distribution (coded as SDIS4). Interviews with marketing managers in services organisations revealed that the deletion of these items is realistic since all the SMM elements provide distinctive service quality that builds a company's image (deletion of SP1), the Jordanian service organisations have weak experience in service price-bundling (deletion of SPRI5), they have problems in developing an integrated and unified marketing communications messages when they develop a service promotion strategy (deletion of SPRO6), and they use e-distribution channels for promotional purposes rather than means of service delivery (deletion of SDIS4). Finally, as can be seen in table (1), an item coded SPRI1 loading = 0.451 which is less than 0.50, however, it is intentionally left for further examination during the CFA analysis.

To confirm and validate the findings that emerged from using EFA, the five-factor components were evaluated by CFA using EQS 6.1 software. The measurement model of the CFA relates the observed variables to their latent variable. However, before running the CFA analysis on the five-factor SMM model which emerged from the EFA analysis, a seven-factor component model was run to examine them as recommended by the literature. The findings of CFA seven-seven factors model measures of goodness of fit were not met and were far below the recommended cut-off point to accept the seven-factor CFA model (Chi-Square=1472.5, $NFI=0.601$, $NNFI=0.731$, $CFI=0.751$, $GFI=0.667$, $AGFI=0.621$, $SRMR=0.078$, and $RMSEA=0.085$). Consequently, a five-factor model should be run as an alternative model.

Table (2) shows the measurements model of the five-factor components and a summary of the model

goodness-of-fit. As shown in table (2), measures of goodness-of-fit were met. It should be noted from table (2) that there were non significant loadings; this is due to the measurement model identification. The parameters without (*) in all table contents are specified as starting values "specified as fixed". A starting value is needed for each of the parameters' constructs to be estimated because the fitting algorithm involves iterative estimation, starting from a suitable approximation to the required results and proceeding to their 'optimum' values (Dunn et al., 1994, p. 23-24). The five-factor model is favoured when compared with the seven-factor model due to two reasons; first, the five-factor model has better goodness of fit indices; and second, there is a big Chi-Square difference between the two models which is 869.5 (Chi-Square difference is $1472.5 - 593.0 = 869.5$). Therefore, the five-factor model of SMM is favoured and employed for the rest of analysis.

As shown in table (2), the results emerged from CFA support the findings that emerged from EFA and all items loadings well exceeded the cut-off point value; 0.60. Items with insignificant factor loadings, high measurement errors and low factor loading as compared with the suggested 0.60 threshold are sequentially dropped (Hair et al., 1998). Consequently, seven items coded as (SPRI2, SPRO1, SDIS2, CO3, CO4, SDP4, and SPE4) were deleted during CFA analysis, respectively. A potential interpretation of the deleted items during CFA is that they are the least practiced marketing activities among the Jordanian services organisations and may indicate general weakness in marketing practice. Furthermore, the deletion of the seven items provides support to the SMM literature that found the SMM is still a very debatable concept.

One of the most important findings of EFA and CFA analyses is that the 7Ps elements model of the original SMM developed by Booms and Bitner (1981), which

has received unprecedented support from marketing scholars worldwide (e.g., Rafiq and Ahmed, 1995), are found to be only five in the Jordanian context. Interestingly, the traditional 4Ps loaded on four factors, as originally proposed, meanwhile; the expanded 3Ps, people, process and physical evidence, of the SMM loaded on only one factor, which is named as "people" since they affect a service company's customer orientation, service delivery process, and people are always seen as part of the perceived physical evidence by customers. These findings provide a very strong support for three streams of research. First, the findings provide strong empirical support for the traditional marketing mix theory advocates who argued that the 4Ps are still dominant and a valid model in today's service businesses. Second, the findings provide strong empirical support for the services marketing scholars who argued that the expanded 3Ps should be distinct and strategic elements in the 7Ps services marketing mix especially the original developers (Booms and Bitner, 1981). However, EFA and CFA findings do not provide empirical support for the notion that the expanded 3Ps should be distinct 3Ps but should be handled as one aspect, "people", of the SMM since they are extremely interrelated. This finding is not in line with (Cowell, 1984; Ennew and Watkins, 1992; Ennew and Watkins, 1998) who argued that the expanded 3Ps could be incorporated in the other traditional 4Ps. Third, the findings provide strong empirical support for the marketing scholars who advocated that "people" is the most important element in the 7Ps model but this element should also include process and physical evidence. These empirical findings are very consistent with Rafiq and Ahmed's (1995) findings which found that "people" is the most important element of the 7Ps; meanwhile process and physical evidence are the least important, respectively.

For businesses performance, the same procedures of EFA and CFA were performed. Table 3 shows the results of EFA for each construct. As shown in table (3), EFA results indicates that all items of each construct well exceeded the cut-off point value; 0.40. To confirm and validate the findings that emerged from using EFA, each construct was evaluated by CFA using EQS 6.1 software. Table (4) shows the measurement model of each construct and a summary of the model goodness-of-fit. As shown in table (4), all measures of goodness-of-fit were met. The results emerged from CFA support the findings that emerged from EFA all items loadings well exceeded the cut-off point value; 0.60, and the CFA model is fit.

Convergent validity is examined by using the Bentler-

Bonett Normed Fit Index (NFI) (Bentler and Bonett, 1990). All of the constructs have NFI values above 0.90. Furthermore, as shown in tables (2 and 4), indication of the measures' convergent validity is provided by the fact that all factor loadings are significant and that the scales exhibit high levels of internal consistency. Also, as shown in these tables, the values of composite reliability and Average Variance Extracted (AVE) for each construct are all above the threshold suggested by Bagozzi (1980): 0.70 and 0.50, respectively. Evidence of the measures' **discriminant validity** is provided based on the assessment of lower correlations between distinct constructs compared to the average variance extracted, as shown in tables (2, 4 and 5) (Fornell and Larcker, 1981; Gerbing and Anderson, 1988).

Table 1: Exploratory Factor Analysis (EFA) Results for the Services Marketing Mix Components

Code	Services Marketing Mix Components and Items	EFA Results	
	Service Product: SP1-SP6	Five Factors Loadings	Eigen value
SP1	Our company builds brand reputation by providing a distinctive service quality	Deleted	2.284
SP2	Our company employees play a crucial role in building our brand reputation	0.640	
SP3	Our company introduces new services as a strategic tool for growth and continuation	0.712	
SP4	Our company has a well established strategy for developing new services	0.601	
SP5	Our company uses customer service as a strategic element in service offering strategy	0.680	
SP6	Our company leverages customer services staff abilities, knowledge and quality to deliver customer services effectively	0.612	
	Service Price: SPRI1-SPRI5		
SPRI1	Pricing our services based on a predetermined rate of return	0.451	1.569
SPRI2	Pricing our services based on what customers are willing to pay	0.688	
SPRI3	Pricing our services based on the prices in the marketplace	0.786	
SPRI4	We have different price levels according to the market segments which we serve	0.513	
SPRI5	Selling two services in one service package for a special price	Deleted	
	Service Promotion: SPRO1-SPRO6		

Code	Services Marketing Mix Components and Items	EFA Results	
SPRO1	Advertising media such as television, newspapers, magazines	0.842	1.799
SPRO2	Our personnel selling staff and customer personal contact points	0.687	
SPRO3	Publicity and public relations to enhance our image	0.631	
SPRO4	Sales promotions such as gifts, discounts, competitions	0.556	
SPRO5	Direct marketing methods such as telemarketing, direct mail, the internet	0.842	
SPRO6	Our marketing communications tools focus on sending a unified message	Deleted	
	Service Distribution: SDIS1-SDIS7		
SDIS1	Uses direct sales force to sell our services	0.770	3.135
SDIS2	Uses branches to distribute our services	0.631	
SDIS3	Uses Intermediaries such as brokers and agents	0.703	
SDIS4	Electronic distribution channels such as the Internet to deliver our services	Deleted	
SDIS5	Using multi-distribution channels to deliver our services to different customer groups	0.644	
SDIS6	Understanding the service delivery activities required in each distribution channel we choose to deliver services properly	0.765	
SDIS7	Practising market segmentation in order to assign the appropriate distribution channel to each market segment	0.743	
	People: Customer Orientation: CO1-CO8; Service Delivery Process: SDP1-SDP6 and Service Physical Evidence: SPE1-SPE4		13.540
CO1	Regularly collect information about customers needs and requirements	0.613	
CO2	Activities of various departments are co-ordinated to ensure customer satisfaction	0.700	
CO3	Marketing chief executive participates in top management decisions	0.740	
CO4	Our company is more customer focused than our competitors	0.650	
CO5	Business objectives are driven primarily by customer satisfaction	0.663	
CO6	Measures customer satisfaction systematically and frequently	0.623	
CO7	Is always looking at ways to create customer value in our services	0.673	
SDP1	Using information technology in processing our work such as computerising work processes	0.717	
SDP2	Well qualified and trained people to interact with customers during service delivery process	0.717	
SDP3	Customer satisfaction in the design of the service delivery process activities	0.733	
SDP4	Preparing a “flowchart” or “diagram” which describes the steps and activities required to deliver our services to customers	0.645	
SDP5	Using standard procedures in our company and its branches for delivering services to customers	0.661	

Code	Services Marketing Mix Components and Items	EFA Results	
SPE1	Customer satisfaction as our prime objective in designing our working atmosphere	0.711	
SPE2	Comfortable physical environment, furnishing, colours for creating friendly atmosphere	0.722	
SPE3	Designing our facilities and layout in order to achieve specific marketing or image objectives e.g., high service quality	0.752	
SPE4	Having customer contact employees dressed (appearance) in a certain way to achieve our company image e.g. using uniform colours, firm's logo	0.731	
Sampling adequacy (Kaiser-Meyer-Olkin measure greater than 0.5):		0.853	
Items deleted in EFA due to weak factor loadings < 0.40		SP1, SPRI5, SPRO6, SDIS4	

Table 2: Confirmatory Factor Analysis (CFA) Results for the Services Marketing Mix Components

Services Marketing Mix Components and Items		CFA Results		
Service Product: SP1-SP6		Factor Loadings	Composite Reliability	Average Variance Extracted
SP2	Our company employees play a crucial role in building our brand reputation	0.70	0.88	0.62
SP3	Our company introduces new services as a strategic tool for growth and continuation	0.69*		
SP4	Our company has a well established strategy for developing new services	0.72*		
SP5	Our company uses customer service as a strategic element in service offering strategy	0.73*		
SP6	Our company leverages customer services staff abilities, knowledge and quality to deliver customer services effectively	0.71*		
Service Price: SPRI1-SPRI5				
SPRI1	Pricing our services based on a predetermined rate of return	0.75	0.83	0.62
SPRI2	Pricing our services based what on customers are willing to pay	Deleted		
SPRI3	Pricing our services based on the prices in the	0.79*		

Services Marketing Mix Components and Items		CFA Results		
	marketplace			
SPRI4	We have different price levels according to market segments which we serve	0.76*		
	Service Promotion: SPRO1-SPRO6			
SPRO1	Advertising media such as television, newspapers, magazines	Deleted	0.84	0.57
SPRO2	Our personnel selling staff and customer personal contact points	0.69		
SPRO3	Publicity and public relations to enhance our image	0.72*		
SPRO4	Sales promotions such as gifts, discounts, competitions	0.74*		
SPRO5	Direct marketing methods such as telemarketing, direct mail, the internet	0.78*		
	Service Distribution: SDIS1-SDIS7			
SDIS1	Our company uses direct sales force to sell our services	0.70*	0.86	0.56
SDIS2	Our company uses branches to distribute our services	Deleted		
SDIS3	Intermediaries such as brokers and agents	0.69*		
SDIS5	Using multi-distribution channels to deliver our services to different customer groups	0.74*		
SDIS6	Understanding the service delivery activities required in each distribution channel we choose to deliver services properly	0.80*		
SDIS7	Practising market segmentation in order to assign the appropriate distribution channel to each market segment	0.74*		
	People: Customer Orientation: CO1-CO8; Service Delivery Process: SDP1-SDP6 and Service Physical Evidence: SPE1-SPE4			
CO1	Regularly collect information about customers needs and requirements	0.72	0.93	0.60
CO2	Activities of various departments are co-ordinated to ensure customer satisfaction	0.78*		
CO3	Marketing chief executive participates in top management decisions	Deleted		
CO4	Our company is more customer focused than our	Deleted		

Services Marketing Mix Components and Items					CFA Results			
	competitors							
CO5	Business objectives are driven primarily by customer satisfaction				0.75*			
CO6	Measures customer satisfaction systematically and frequently				0.72*			
CO7	Is always looking at ways to create customer value in our services				0.77*			
SDP1	Using information technology in processing our work such as computerising work processes				0.72*			
SDP2	Well qualified and trained people to interact with customers during service delivery process				0.72*			
SDP3	Customer satisfaction in the design of the service delivery process activities				0.77*			
SDP4	Preparing a “flowchart” or “diagram” which describes the steps and activities required to deliver our services to customers				Deleted			
SDP5	Using standard procedures in our company and its branches for delivering services to customers				0.71*			
SPE1	Customer satisfaction as our prime objective in designing our working atmosphere				0.71*			
SPE2	Comfortable physical environment, furnishing, colours for creating friendly atmosphere				0.70*			
SPE3	Designing our facilities and layout in order to achieve specific marketing or image objectives e.g., high service quality				0.73*			
SPE4	Having customer contact employees dressed (appearance) in a certain way to achieve our company image e.g. using uniform colours, firm’s logo				Deleted			
Model goodness of fit indices: Desired Level	χ^2 P ≥ 0.05	GFI ≥ 0.90	AGFI ≥ 0.80	NFI ≥ 0.90	CFI ≥ 0.90	NNFI ≥ 0.90	SRMR ≤ 0.08	RMSEA < 0.10
Model indices results	593.0, P=0.000	0.937	0.926	0.931	0.949	0.932	0.061	0.080

Table 3: Exploratory Factor Analysis (EFA) Results for Business Performance Dimensions

Business Performance Dimensions		EFA Results	
		Five Factors Loadings	Eigen value
Financial Performance: FP1-FP6			
FP1	Return on investment relative to our close competitors	0.705	5.383
FP2	Total sales volume relative to our close competitors	0.818	
FP3	Company overall profitability relative to our close competitors	0.836	
FP4	Company market share relative to our close competitors	0.787	
FP5	Company overall profitability growth relative to our close competitors	0.772	
FP6	Sales volume growth rate relative to our competitors	0.752	
Customer Performance: CP1-CP4			1.689
CP1	Customer satisfaction relative to our close competitors	0.784	
CP2	Customer loyalty to our company	0.873	
CP3	Attracting new customers within a certain period of time	0.894	
CP4	Evaluating the reputation of our company in the marketplace relative to our competitors	0.823	
Sampling adequacy (Kaiser-Meyer-Olkin measure greater than 0.5):		0.885	

Table 4: Confirmatory Factor Analysis (CFA) Results for Business Performance Dimensions

Business Performance Dimensions		CFA Results		
		Factor Loadings	Composite Reliability	Average Variance Extracted
Financial Performance: FP1-FP6				
FP1	Return on investment relative to our close competitors	0.70	0.92	0.60
FP2	Total sales volume relative to our close competitors	0.80*		
FP3	Company overall profitability relative to our close competitors	0.76*		
FP4	Company market share relative to our close competitors	0.78*		
FP5	Company overall profitability growth relative to our close competitors	0.77*		
FP6	Sales volume growth rate relative to our competitors	0.83*		

Business Performance Dimensions					CFA Results				
Customer Performance: CP1-CP4									
CP1	Customer satisfaction relative to our close competitors				0.77	0.92		0.74	
CP2	Customer loyalty to our company				0.87*				
CP3	Attracting new customers within a certain period of time				0.89*				
CP4	Evaluating the image or reputation of our company in the marketplace relative to our competitors				0.80*				
Model goodness of fit indices: Desired Level	χ^2 P \geq 0.05	GFI \geq 0.90	AGFI \geq 0.80	NFI \geq 0.90	CFI \geq 0.90	NNFI \geq 0.90	SRMR \leq 0.08	RMSEA $<$ 0.10	
Model indices results	7.6, P=0.08	0.923	0.884	0.946	0.963	0.948	0.054	0.085	

Table 5: Correlations among the Research Constructs

The Research Constructs	Service Product	Service Price	Service Promotion	Service Distribution	Service People	Financial Performance	Customer Performance
Service Product (M = 4.35, std = 0.59)	1						
Service Price (M = 3.65, std = 0.70)	0.313**	1					
Service Promotion (M = 3.96, std = 0.78)	0.453**	0.394**	1				
Service Distribution (M = 3.77, std = 0.79)	0.416**	0.350**	0.560**	1			

The Research Constructs	Service Product	Service Price	Service Promotion	Service Distribution	Service People	Financial Performance	Customer Performance
Service People (M = 4.14, std = 0.67)	0.629**	0.405**	0.546**	0.468**	1		
Financial Performance (M = 3.90, std = 0.70)	0.324**	0.350**	0.235**	0.377**	0.426**	1	
Customer Performance (M = 4.13, std = 0.77)	0.320**	0.332**	0.283**	0.306**	0.500**	0.521**	1
**Correlation is significant at the 0.01 level							

Structural Path Models, Hypotheses Testing and Findings

The analysis is performed by running direct structural paths examining the relationship between the SMM elements and companies financial and customer performance in one structural model, as shown in figure 2. Table (6) shows the structural path model findings. The review of the goodness-of-fit measures indicates that the model has an excellent fit to the data. The structural path findings indicate that there is a significant and positive relationship between the services marketing mix and companies' financial performance. In the overall model, R^2 is 0.261, significant at 0.000. Table (5) shows that 26.1 per cent of the variation in companies' financial performance is explained by the services marketing mix. The findings also indicate that people (the service providers) ($\beta = 0.26$, significant at 0.010), service distribution ($\beta = 0.24$, significant at 0.014), and service price ($\beta = 0.19$, significant at 0.026) are the strongest predictors of variations in companies financial performance, respectively. Meanwhile, service product

and service promotion failed to show significant relationships with companies' financial performance, but maintained positive ones. Consequently, the overall findings and results provide support for H1. The structural path findings also indicate that there is a significant and positive relationship between the SMM and companies' customer performance. In the overall model, R^2 is 0.275, significant at 0.000. Table (6) shows that 27.5 per cent of the variation in companies' customer performance is explained by the SMM. The findings also indicate that people (the service providers) ($\beta = 0.44$, significant at 0.000), service price ($\beta = 0.18$, significant at 0.032) are the strongest predictors of variations in companies customer performance. Meanwhile, service product, service promotion and service distribution failed to show significant relationships with companies' customer performance, but maintained positive ones. Consequently, the overall findings and results provide support for H2.

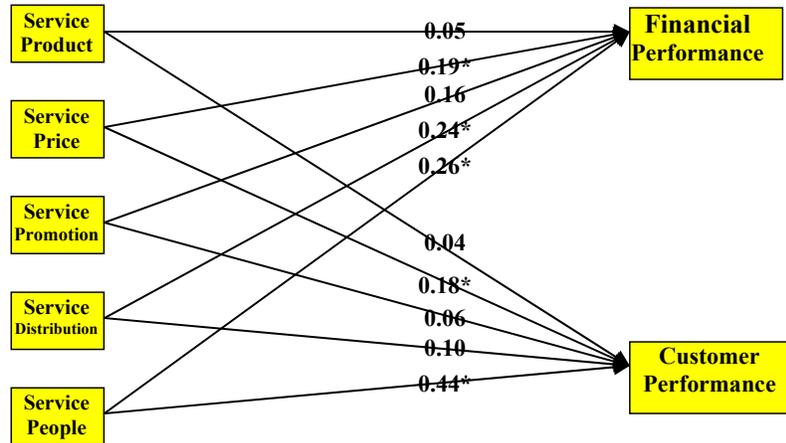


Figure 2 The Empirical Research Model: Services Marketing Mix and Performance

Table 6: Structural Path Models Results: Services Marketing Mix and Business Performance

Dependent Variables in the Regression Path are Financial and Customer Business Performance							
Independent Variables	Financial Performance			Customer Performance			
	R^2	0.261		R^2	0.275		
	β	T Value	Sig. T	β	T Value	Sig. T	
Service Product	0.05	0.540	0.116	0.04	0.119	0.126	
Service Price	0.19	2.290	0.026	0.18	2.208	0.032	
Service Promotion	0.16	1.565	0.090	0.06	0.594	0.098	
Service Distribution	0.24	2.540	0.014	0.10	0.924	0.090	
People	0.26	2.681	0.010	0.44	4.127	0.000	
<i>*β : Standardised Beta Coefficients</i>							
Model goodness of fit indices:	$\chi^2 = 8.24, p = 0.10$	GFI = 0.972	AGFI = 0.989	NFI = 0.983	CFI = 0.980	NNFI = 0.982	SRMR = 0.048 RMSEA = 0.060

Results Discussion

The results of EFA and CFA provide a general empirical support for the original SMM model suggested by Booms and Bitner (1981), which is also supported by many services marketing scholars in the Jordanian services organisations. The research hypotheses H1 and H2 are supported. One of the crucial findings of this research is

that the SMM consists of 5Ps rather than 7Ps in the Jordanian services organisations context. This finding does not provide an empirical support for the stream of researchers who advocated that the SMM should be 7Ps. However, this finding provides a strong empirical support for the stream of researchers who strongly argued that "people" is the most important element to be added to the

4Ps model and is the most influential element of SMM on businesses performance, which is also found in this research. Furthermore, both of EFA and CFA findings strongly support the stream of researchers who either argued that the traditional 4Ps model is still valid or is dominant in today's service organisations. A further empirical support is found for the traditional 4Ps model since their items loaded only on four factors and none of them loaded on any of the expanded 3Ps. This is a very significant finding which holds very important explicit and implicit insights. The explicit insight is that the traditional 4Ps model is still dominating marketing managers' thinking and practice which provide strong empirical support for previous literature review that supports the same finding. The implicit insight is that a marketing paradigm shift, as strongly advocated by the relationship of marketing proponents, in marketing theory is far from complete, nor prevailing in the marketing practice of services organisations. This finding provides a strong empirical support for the previous literature that supports the same finding.

Although the majority of services and relationship marketing scholars have a general agreement on perceived shortcomings in the 4Ps model and advocated its inadequacy for services organisations, they have almost provided a general agreement on potential remedies for such shortcomings including either by adding the expanded 3Ps of Booms and Bitner's (1981) within the 7Ps model or incorporating them within the framework of the traditional 4Ps. On the other hand, the relationship of marketing scholars did not support such arguments and advocated the relationship of marketing as an alternative paradigm shift in marketing theory and practice to tackle the traditional marketing mix theory perceived shortcomings. The current study's empirical findings do not provide empirical support for these arguments. First, the expanded 3Ps loaded on only one

factor suggesting that the 7Ps are only 5Ps, at least in Jordan's services organisations. Second, the expanded 3Ps, even loaded on only one factor "people", have to be distinct in the SMM and cannot be incorporated within the framework of the traditional 4Ps model, even if they interact with the 4Ps. Third, it is premature to claim that a paradigm shift towards relationship marketing in the marketing practice in services organisations is real since the SMM model, especially the 4Ps model, is still dominant in the marketing thinking and practice.

The SMM model, 5Ps, was also empirically tested and found to have a positive and significant relationship with services organisations' financial performance (R^2 is 0.261) as well as with their customer performance (R^2 is 0.275). These findings provide strong support for the SMM literature that found that the SMM is an important contributor to business performance. The structural path findings indicate that the strongest predictors of the 5Ps model on services organisations performance are people (the service providers) ($\beta = 0.26$), service distribution ($\beta = 0.24$), and service price ($\beta = 0.19$), respectively. These findings provide strong support for the SMM literature long-held belief that the people element is a major success factor in service organisations. Furthermore, service distribution is another crucial element which creates convenience for customers and achieves basic, yet significant, benefits such as time, place, form and delivery benefits for service organisations markets. Another decisive factor that affected financial performance is a service price which can be described as the service organisation's reward for a successfully managed business. It is the only element of the 5Ps that brings revenues, profits and, indeed, financial prosperity for the service organisation. The findings also show that the weakest predictors of the 5Ps on financial performance are service product and service promotion. The service product is very similar among service

organisations and it is perhaps difficult to differentiate a service company using its core product or even the majority of supplementary activities. Furthermore, customers tend to perceive the majority of services organisations offerings similarly except their people; the service providers. For service promotion, a possible interpretation for its nonsignificant, but positive, effect on financial performance is that the traditional promotion activities and means may not lead to achieve the intended performance levels since customers rely on other direct and more important means of promotion of a service organisation. Customers shape a certain image about a service organisation directly through people (the service providers) during the service delivery process who can be the best promotion mean for encouraging customer to use word of mouth to others. Furthermore, service organisations use promotion as a means of communications and channels of two-way information exchange rather than making an organisation's image, which is usually made by the service providers' especially front liners.

The structural path findings indicate that people (the service providers) ($\beta = 0.44$), service price ($\beta = 0.18$) are the strongest predictors of variations in companies customer performance, respectively. These findings are very supportive for the services marketing literature that advocates that people are the most important element that affects customers' satisfaction, customer loyalty, attracting new customers and its image at large. The success of a service organisation depends on customer oriented people, a well designed service delivery process and customer oriented business atmospherics which are major determinants of customer satisfaction. This also interprets the nonsignificant effect of service product, service promotion and service distribution on companies' customer performance since the customer tends to perceive the whole SMM in the "eyes" of the service

providers. Again, service price is the second strongest predictor of the 5Ps on customer performance. This finding provides a strong support for the service marketing literature that advocates the concept of "value for money". In other words, a major determinant of customer satisfaction and other customer measures is that the customer has to receive value for the paid price (money) for obtaining a service in order to have a durable relationship with the service organisation.

Also, the empirical findings indicate that the expanded 3Ps of the SMM should be distinct and strategic components within the context of services marketing strategy. These results present significant support for the SMM literature that advocates the expanded 3Ps of the SMM to be distinct and strategic (Booms and Bitner, 1981; Cowell, 1984; Maragth, 1986; Judd, 1987; Collier, 1991; Rafiq and Ahmed, 1995; Smith and Saker, 1992; Yelkur, 2000; Lovelock, 2001). The rationale for these results is threefold. First, the expanded services marketing mix elements are crucial to cope with the unique characteristics of services especially intangibility and complexity. Second, people have a pivotal role to play in marketing strategy of services. Third, the expanded elements have been found to have a positive and significant effect on the service companies' performance in Jordan. Although the expanded 3Ps should be distinct and strategic elements, this argument has been supported by theory and an empirical evidence. However, this does not mean that these elements are unrelated to the other elements of marketing mix or marketing strategy. The expanded elements of the SMM are related to the other elements and they affect them. This is supported by definition, theory and empirical evidence of the marketing mix in services marketing which all advocate that the SMM should be co-ordinated, integrated and coherent to achieve success in the marketplace. For instance, the

delivery strategy has an important role to play in the distribution strategy and service quality and, the overall physical environment in which the service is being provided affects all of them. Furthermore, it is argued that each one of those elements has the potential to achieve a marketing objective and may achieve a competitive advantage. The rationale is that the customer perceives the service organisation as "a whole", needs "an integrated offer", and recognises the "service provider" as a major part of the "service product".

Conclusions

The aim of this research was to examine the generalisability, applicability, effect of the SMM model, 7Ps, on service business performance in the Jordanian context. The results of both EFA and CFA provide a general empirical support for the SMM model (Booms and Bitner, 1981) in services organisations in Jordan. The SMM elements are 5Ps in Jordan's service organisations instead of 7Ps as suggested by Booms and Bitner (1981). Strong empirical evidence exists to support the dominance of the traditional marketing mix elements, 4Ps, in the marketing practice and thinking contrary to the long-held belief that they are dead. The EFA and CFA results confirmed the validity of the 4Ps model and they are well established since they loaded on only four factors and none of them loaded on any of the expanded 3Ps, of the SMM elements. The expanded 3Ps of the SMM are not separate 3Ps, rather they are actually one integrated aspect of the SMM since they loaded on only one factor named as "people"; the service providers. This echoes one of the services marketing literature findings reached earlier that "people" is a very decisive element in services marketing as well as the most important element of the SMM elements. Furthermore, there is a positive and significant relationship between the SMM elements, 5Ps, and business performance

measured by financial and customer measures. People, service distribution and service price are the strongest predictors of the 5Ps on the organisations' financial performance. Service organisations believe that the service providers and value for money are essential for their customer performance. This conclusion is echoed by the fact that the strongest predictors of the 5Ps model on customer performance are people (the service providers) and service price, respectively.

Implications

One of the major marketing implications emerged from this empirical study is that as the SMM is found to consist of 5Ps instead of 7Ps, service organisations' task can be relatively easier in designing their SMM by focusing on interactions among its elements especially people, process, and physical evidence to create an integrated marketing offer. Managers of service organisations now have recent empirical evidence that they *do not* need to have a dramatic shift or "*revolutionary*" marketing approach, rather they need to adopt an "*evolutionary*" marketing approach in their marketing thinking and practice. There has almost been three decades of debate regarding the SMM paradigm's elements, appropriateness and its impact on service business performance. Now, this controversy is almost explained using empirical evidence found in this study. Marketing managers are now almost certain that the 4Ps model is still alive and they can equip them alongside with the people element (the service providers) which encompasses the other 3Ps; people, process and physical evidence. This will enable services organisations to design a high quality of SMM elements which are crucial building blocks towards creating, building, and sustaining durable and profitable relationships with today's demanding customers.

Marketing managers need to comprehend the fact

that although some elements (e.g., service price and distribution) still exert a positive and significant effect on business performance, the strongest impact has emerged from people, the combined 3Ps, which exerted the strongest effect on both performance dimensions. It is reasonable to say that the effect of the traditional elements of the SMM is a potential outcome of a successful service delivery process and the interactions that take place between the customer and the service provider, which represents a fundamental part of successful business operations. This would strongly pave the way for the success of relationship marketing initiatives to improve company performance as well as customer satisfaction and customer loyalty levels. Furthermore, international business managers can also benefit from this study to understand the current status of the SMM model in emerging markets (e.g., Jordan). Now, there is a strong empirical evidence in international business managers' hands regarding the status and integration process of the SMM components in service organisations which are of great benefit if they decide to enter the Jordanian market or the Middle East markets at large.

Contribution to Services Marketing Literature

The author of this paper believes that this study has made significant contributions to services marketing literature. First, a major contribution is the SMM model which consists of 5Ps rather than 7Ps elements, which is the long-held belief among services marketing scholars. This major contribution of this study opens a new avenue of debate among services marketing researchers to re-consider and re-examine the validity of the 7Ps model, as suggested by Booms and Bitner (1981), which has also received unprecedented support from marketing scholars without a solid empirical grounds. Second, the expanded 3Ps, people, process, and physical evidence,

are no longer 3Ps rather; they are fully integrated in one element of the SMM elements named as "people"; the service providers. Third, the 5Ps have positively and significantly influenced business performance measured by financial and customer measures adds to the originality of this paper since it is one of the very few empirical attempts devoted to make such an investigation. Fourth, this is the first empirical study in Jordan's service organisations devoted to investigate one of the most controversial paradigms in marketing theory, the SMM, in one research project adds to the originality of this work.

Limitations and Future Research Directions

Although this research has achieved its objectives and made contributions to services marketing literature, some limitations are recognised. First, the research model is developed and tested in Jordan's services organisations and could, therefore, be cautiously generalised to other emerging markets service business environments. A fruitful area of research is to replicate the study's model in other developing and developed business environments to test its validity since it included one of highly controversial marketing paradigms among marketing scholars; the SMM. Second, it is premature to generalise this research model on other single service industries either inside or outside Jordan without a further examination. However, the aim of testing this controversial model, the SMM, in Jordan's services organisations is to examine the research model in a wide array of services businesses to develop a "generic" SMM rather than a "single" SMM for a specific service industry. Furthermore, since this research topic lacks previous empirical studies that investigated this model, this made using a wide array of services industries inevitable for generalisation purposes. Hence, a potential area of future research is to examine

the research model among and between several services industries to examine the SMM elements and their relationship with performance. Third, it would be a fruitful area of future research to investigate the factors

or antecedents of the SMM that lead to establish high quality of successful and profitable relationships with customers in order to have improved business performance.

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