

## SERVICE INNOVATION CAPABILITY FOR ENHANCING MARKETING PERFORMANCE: AN SDL PERSPECTIVES

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**Abstract.** This study was conducted to propose dan test a conceptual model for solving a research gap on the influence of customer orientation on marketing performance through a strategic bridge variable, service innovation capability, and consumer-centric strategy. We adopt the service-dominant logic as a basis for solving the research gap for its coverage on the value and service value innovation for attracting customers and as a stepping-stone for enhancing marketing performance. Data were collected from 145 service enterprises in Pontianak, West Kalimantan, Indonesia, as our samples for testing the proposed research model, using the software of AMOS-structural equation modeling. The main finding of this study is a strategic path for enhancing marketing performance through customer orientation and the capability for service value-creating.

**Keywords:** customer orientation, customer-centric strategy, service innovation capability, marketing performance, service-dominant logic, Indonesia.

**JEL Classification:** M31, D46, D83, L25.

### Introduction

A study on customer orientation is still attracting marketing and management scholars in demonstrating the power of customer orientation in leveraging performance. The power of customer orientation could be seen in several ways such as enhancing service recovery performance (Choi et al., 2014; Leavy, 2005) and increasing marketing performance (Maurya et al., 2015; Ziggers & Henseler, 2016). In the sales field, several studies such as Terho et al. (2015) described the direct influence of customer orientation on marketing performance, in particular, sales performance. Customer orientation is an input in the selling activities, indicated by among others, taking care of customers, feeling that every customer problem is essential to the company, giving individual attention to each customer (Choi et al., 2014, p. 278). Customer orientation could be seen as an activity for trying to figure out what a customer's needs are, having the customer's best interest in mind, helping to solve customer's problem, finding out what kind of products/services will be most helpful to a customer (Terho et al., 2015, pp. 19–20). So far research

findings on the influence of customer orientation to marketing performance is a mixture, several studies demonstrated the positive impact of customer orientation to marketing performance (Homburg et al., 2011; Peterson & Crittenden, 2018; Tajeddini, 2010; Terho et al., 2015). On the other side, studies also describe a non-significant direct influence of customer orientation on marketing performance, such as no impact of customer orientation to value perceived by the consumer as well as positive word of mouth (Mukerjee & Shaikh, 2019). The study of Liu et al. (2019) demonstrated the insignificant direct influence of relational customer orientation to consumer-side marketing performance in terms of repurchase intention. As such, study of Singh and Venugopal (2015) in their full model indicated a no-direct impact of customer orientation to marketing performance in terms of sales performance, except through several mediation strategy. Considering the problem on the inconsistent findings of the influence of customer orientation to marketing performance, the current study is an attempt to elucidate the possible process of transforming customer orientation to performance.

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Service dominant logic is one of the main pillars in studies of marketing that views customers as co-creators of value, who collaborate with companies to integrate various resources in order to create unique values for beneficiaries (Greer et al., 2016). In the context of SDL, knowledge about customers provides inputs for providing benefits as well as solutions to customer's expectations and preferences. We adopt the service-dominant logic approach (Kuzgun & Asugman, 2015; Vargo & Lusch, 2017; Vargo et al., 2008) to solve the research gap between customer orientation and marketing performance for several reasons. Firstly, marketing strategy should be seen as a service and value creation as well as value delivery process which are recognized as the fundamental basis of exchange (Vargo et al., 2008), the better the value processing and delivering the higher the possibility for attracting customers as well as consumers. Secondly, a product or service should be created and delivered with a benefit for the target market. In order to be beneficial, a company should be striving to enhance its service value creation capability and service innovation capability as a medium for enhancing business performance (Nada & Ali, 2015). Thirdly, A service value that is created and delivered to a target market should be a result of aligning of production and marketing function for optimizing the possibility of value creation for the target market (Matthyssens et al., 2015).

The purpose of this study is to propose a conceptual model on the process of bridging customer orientation and marketing performance by inserting several SDL-related concepts of service innovation capability, Customer-centric strategy. The conceptual model was then tested in the service industry, including banks, hotels, and tours and travel companies, insurance companies, and universities in West Kalimantan, Indonesia.

## 1. Literature review and hypothesis development

### 1.1. Customer orientation and customer-centric strategy

The company's success is determined by how well they understand the complexity of customers' needs and wants. Customer orientation enables the company to produce products and services that are more in line with the consumers' needs. Studies on customer orientation have been done by many researchers (Homburg et al., 2011; Whelan et al., 2010; Arndt & Karande, 2012; Javalgi et al., 2014). A customer-oriented company is always strengthening its business platform on customer satisfaction-driven strategy, customers' need-oriented, customer's need-based competitive advantage, a higher value for customer-driven strategy (Smirnova et al., 2018) and setting a customer focus strategy (Lamberti, 2013) as strategic marketing for coping with the dynamics of competition in the marketplace (Manral & Harrigan, 2018).

Several studies on customer orientation (Rust et al., 2010; Terho et al., 2015; Wang et al., 2016) emphasized the importance of understanding the customer. The company's

inability to meet the corresponding value of consumers' expectations will lead to consumers' dissatisfaction and will ultimately terminate the business connection with the company and even switch to other competitors. Customer orientation is a strategic way to understand the customer for facilitating the creation or the innovating of superior value. As studied by Andreassen et al. (2016), creating customer value is a basis for sustaining organizational performance as well as marketing performance. Capability in designing service and service value will increase the organization's capacity to accumulate and deploy service experiences for enhancing performance.

Based on our literature review, customer orientation or a customer-oriented company could be interpreted in several ways. Firstly, a customer-oriented company is a value pioneering (Leavy, 2005) to fill up the unexplored opportunity in the marketplace with a unique – differentiated value that is matching the consumer's value preference, create a kind of "blue ocean value" to make the competition irrelevant by creating a leap in value (Leavy, 2018) for customers and end-user. Secondly, A customer-oriented company is considered as a value creator or value co-creator involving its customers. As emphasized by Grönroos and Svensson (2008) "when accepting value-in-use as a foundational value creation concept customers are the value creators; therefore a customer-oriented company could be understood as a hub of value creator, customers participate in value creation through the information and particularly the preferences they articulate in the process of value creation. Thirdly, a customer-oriented company is a consumer-centric initiator, based on the notion that marketing is dealing with demanding and well-informed customers and consumers (Shah et al., 2006).

As mentioned above, a consumer-oriented company is a value-pioneering unit, a value creator entity, and a consumer-centric initiator lead us to an exploration of how a customer-centric strategy is developed. The logic behind a consumer-centric strategy is that a company is a business actor that keeps its strategic routine on having the updated knowledge and information exchange with the customers. The information is then treated as a basis for creating value that is matching the customer and consumer preferences leading to a tailor-made type of service and value delivered (Outi et al., 2007). One of the directions of a consumer-centric strategy is achieving a superior customer experience (Burmam et al., 2011). As mentioned in the study of Ulaga (2018). The source for being a customer-centric company is the company's ability to provide a memorable customer experience. Therefore, customer's information, knowledge, and portfolio are needed by the company to generate a customer-centric strategy (Lamberti, 2013). A study of Burmam et al. (2011, p. 57) underlined the main drivers for a customer-centricity move is the internal commitment of the top-level management for the customer and customer-centricity knowledge for gaining customer insights, which a mentioned by marketing scholars as customer orientation (Li Sa et al., 2019; O'Dwyer & Gilmore,

2018; Smirnova et al., 2018). Moreover, a company that successfully adopt a customer focus strategy will gain a superior financial performance and customer retention (Grisseemann et al., 2013), increasing buying intentions, improving company's positional advantage for enhancing company's competitive advantage (Bharadwaj et al., 2012). A case study of Ross (2009, p. 453) is so provoking that "manufacturers stand at the consumer centricity crossroads. The choices are lead, follow, or get out of the way. Choose lead..." with ample evidence of no less than 80 percent of high performing manufacturers who emphasize the consumer centricity move. Therefore, the following two hypotheses are proposed:

*H1: Customer orientation has a positive effect on the customer-centric strategy.*

*H2: Customer-centric strategy has a positive effect on marketing performance.*

## 1.2. Customer orientation, service innovation capability, and marketing performance

One of the provoking adagios in marketing practices in the term of "a customer is a King." Customer is the reason a company exists. The sustainability of a company's performance is not only influenced by how it anticipates the competitors' strategies but also on how a company maintains its customer knowledge as a basis for enhancing capability to offer value for attracting new customers, keeping and maintaining the current customers (Fan & Ku, 2010). In service industries, a customer could be considered as co-producer (Tax et al., 2013). Hence, the company should win its customer's hearts with a specific value for goods and services they deliver into the market place. As mentioned by Naidoo (2010), a company's core concern is focusing its ability to respond to customers as well as its competitors.

As the competition the market place is increasingly dynamic, focus on innovation, in particular, service value innovation (Nada & Ali, 2015) for provoking disequilibrium in the market place is a pivotal choice for maintaining the marketing performance (Shelby & Caroline, 2004). Innovation, such as innovation of products and services, processes, and systems (Racela, 2014), is the key to providing and renewing the value offered to the customers as well as the consumers. Service innovation processes and capability are increasingly recognized as an effective solution to improve and maintain company growth and profitability (Tajeddini, 2010). Service innovation capability is considered as a strategic path for value creation and value-enhancing for a customer. As described in the study of Durst et al. (2015, p. 66), a service innovation capability may comprise of innovating new services in the market, initiating a new approach in involving customers in the service production, new ways in service delivery, and new ways in using technology for increasing efficiency. Service innovation capability may be realized as the capability for innovating services through technology development as well as technology utilization (Nasution et al., 2011).

The innovation service can be improved and developed with the help of new technology by integrating it based on the demands of the market. Wang and Hsu (2014) said that service innovation and technology would be able to fix and improve the products and services of the company, either in the form of tangible and intangible assets to be better. It would be possible as a result of the increasing development of services and the development of sophisticated new technologies. Additionally, product development is getting better, as well as the improvement in the service delivery system (Wang & Hsu, 2014). Service innovation is the company's capital in overcoming a variety of very diverse customer demands. Service innovation is the solution to the company to overcome the dilemma due to the increasing competition conditions and the decline in sales and profits.

As studied by Jiménez-Zarco et al. (2011), one path to provide value for customers is the possession of a portfolio of customer knowledge; furthermore, Naidoo (2010) accentuated the better understanding of the customer as well as the consumer compared to those of a competitor is a determinant for a superior company's performance. As mentioned at the above section, a customer-oriented company is a value pioneering unit (Leavy, 2018) for its capability in pooling customer knowledge and information, and as a value creator or value co-creator (Grönroos & Svensson, 2008) for its capability in finding ways to innovate based on the portfolio of knowledge and information from its customer as well as consumer, as a way for finding ways for enhancing the capability for service innovation capability (Jian & Zhou, 2015; Wang et al., 2016). Therefore, the following hypotheses are proposed:

*H3: Customer orientation has a positive effect on service innovation capability.*

*H4: Service innovation capability has a positive effect on marketing performance.*

The insertion of service innovation capability as our proposed solution for bridging the gap between customer orientation and marketing performance is based on several reasons. Firstly, customer orientation as proved in many studies (Choi et al., 2014; Liu & Lee, 2019; Matthysens et al., 2015; Terho et al., 2015) is to so extent still inconsistent for positive impact and non-significant impact, therefore, finding out a bridging variable is a necessity. Secondly, as customer orientation as emphasized by Grönroos and Svensson (2008) could be understood as a hub of value creators due to its ability in collecting information and preferences from customers, this stock of knowledge and information could be a leverage for enhancing the service innovation capability as proposed in our hypothesis number two. The service innovation capability is proved in previous studies as a tool for enhancing marketing performance (Durst et al., 2015; Szymańska et al., 2017; Tang et al., 2013; Wegner et al., 2017) therefore a mediation process is proposed as follows:

*H5: Service innovation capability mediates the influence of customer orientation on marketing performance.*

### 1.3. Service innovation capability and customer-centric strategy

Customer centricity could be defined as a kind of business practices in getting and processing consumer's knowledge and information, involving the customer in marketing and innovation process actively, and focusing on products' and services' value to increase customer experience regularly (Gebauer et al., 2011; Lamberti, 2013) as a tool for enhancing competitive advantage. When a customer-centric strategy is initiated, one point to be directed is among others emphasizing the customer intimacy (Antikainen et al., 2010), as a way for transforming the consumer's wants to be a specific value for customers (Lamberti, 2013). The capability for transforming wants to value is what we define as service innovation capability. As mentioned in several studies, a service innovation capability is an ability to deploy resources for renewing service attributes, improving qualified services, capability for improving services through IT (Nasution et al., 2011). Service innovation capability could be seen as continually searching for new ways to serve the customers better, ability to change/modify the current service approaches to meet every single special requirement from customers, and ability to come up with new service offerings compared to competitors (Grawe et al., 2009). Lending the study of Scheinbaum and Wang (2018) a customer-centric strategy is a strategy that is focusing service to the customer as a mission of the company, customer-friendly approach as a business routine, providing service as needed by customer (Scheinbaum & Wang, 2018) as a result of ability for innovating services regularly. Therefore the following hypothesis is proposed.

*H6: Service innovation capability has a positive effect on the customer-centric strategy.*

## 2. Method

### 2.1. Sample and data collection

In order to test our model, we invited business managers of the small and medium service companies to participate in our research based on a convenience sample voluntarily. The respondent was the manager of the SME, assuming that a manager is the right representative of a company. A convenience sampling is adopted because of its capability to invite respondents who voluntarily participated in this research. The sampling frame is drawn from a population size of 316 service organizations, compiled from The Indonesian Financial Service Authority (abbreviated in Bahasa Indonesia as OJK), The Indonesian Hotel&Restaurant Association (abbreviated as PHRI), Association of The Indonesian Tours and Travel Agencies (abbreviated as ASITA) and, Indonesian Institute for Higher Education Service (abbreviated as LLDIKTI). As presented in Table 1.

They were selected as our respondents for several reasons. First, although they were struggling, they

Table 1. Sampling frame  
(source: compiled from several sources)

Type of business	Population	Sample	Proportion of population	Proportion of sample
Hotel	53	45	85%	31.03%
Tour and Travel	92	35	38%	24.14%
Bank	48	35	73%	24.14%
Insurance	74	15	20%	10.34%
Education Institue	49	15	31%	10.34%
Total	316	145	45.88%	100%

successfully stayed in the marketplace during the economic crisis period in Indonesia. Second, they were working in a competitive market area and still stayed in the market, demonstrating their capability in providing value to their consumers.

### 2.2. Measurement of variables

Measures used in this study were adopted and adapted from several studies, as published in a referral journal. Customer orientation measure was adapted from the study of Tajeddini (2010) and Jiménez-Zarco et al. (2011). The customer-centric strategy was measured based on the study Gebauer et al. (2011; Shah et al., 2006). The service innovation capability was measured by adapting the measurement used by Nasution et al. (2011). The marketing performance was measured by the scale used in the study of Sugiyarti et al. (2018) and Limakrisna and Yoserizal (2016) The measures were then developed as a series of scale in a questionnaire set with score-point from 1 to 5 and were used as the guideline for interviewing respondents based on convenience sampling; finally, the data were collected from 145 managers of SMEs in the service industry.

## 3. Data analysis

In the early stage of this research, empirical studies were conducted by the process of testing hypotheses based on the input data obtained through a survey and with the help of Structural Equation Modeling (SEM) with AMOS version 23.0 to obtain empirical results. We selected the structural equation model in testing our model and hypotheses for several reasons. Firstly, compared to the ordinary regression analysis, Structural equation modeling works with several equations simultaneously. The same variable may represent a predictor (regressor) in one equation and a criterion (regressand) in another equation (Kroehne et al., 2003), as in our model. Secondly, the advantage of using SEM in the analysis is for the ability to testing the mediational process in a simultaneous way (Tabachnick & Fidell, 2012).

To test our model, we ran a two-step procedure in SEM Analysis for confirmatory factor analysis for



Table 2. Measurement of convergent validity, construct reliability

Variable & indicator	Reference	(Lambda value)	Critical ratio $\geq \pm 1.96$	Convergent validity (ave) $\geq 0.50$	Construct reliability (cri) $\geq 0.70$
CUSTOMER ORIENTATION	Tajeddini (2010), Jiménez-Zarco et al. (2011)			0,618	0,827
– Understanding market trend		0.718	9.242		
– Customer preference information seeking		0.699	8.955		
– Value oriented effort for customer		0.922	8.955		
CUSTOMER CENTRIC STRATEGY	Shah et al. (2006) Gebauer et al. (2011)			0.536	0.774
– Driving for customer satisfaction		0.616	7.275		
– Leverage value through customer relationship		0.832	7.275		
– Company priority is customer satisfaction		0.733	6.939		
SERVICE INNOVATION CAPABILITY	Nasution et al. (2011)			0.562	0.789
– Capability for innovating services		0.658	6.615		
– Capability for improving services through qualified service		0.912	7.462		
– Capability for improving services through IT		0.648	7.462		
MARKETING PERFORMANCE	Sugiyarti et al. (2018), Limakrisna and Yoserizal (2016)			0.696	0.867
– Sales growth		0.912	5.907		
– Customer growth		0.555	5.907		
– Scope of market coverage		0.974	5.701		

measuring the construct and a full structural model for testing the hypothesis. The first step in data analysis is running a confirmatory factor analysis for exogenous constructs in the model, followed by the endogenous constructs. As appeared in the model, the exogenous construct is only one variable of customer orientation with three indicators, while the endogenous construct comprises three constructs of customer-centric strategy, service innovation capability, and marketing performance. The confirmatory factor analysis resulted in an adequacy measurement of the construct, and the convergent validity, construct reliability as presented in the following Table 2.

The confirmatory factor analysis resulted in an acceptable loading factor for every variable in the model. All loading factors are exceeding the minimum expected value of  $\geq 0.50$ , with a critical ratio of  $\geq 1.96$  (Arbuckle, 2016; Tabachnick & Fidell, 2012), which indicates that the magnitude of each indicator's contribution to the constructed variables is significant at five percent. In total, all constructs demonstrate acceptable measurements. Construct validity was measured by AVE (average variance extracted), with a minimum level of  $\geq 0.50$ . The analysis resulted in a level of accepted convergence validity, such as 0.618 for customer orientation, 0.536 for customer centrality, 0.562 for service innovation capability, and 0.696 for marketing performance.

We continue to analyze the construct-reliability of the latent variable in the model. All of the construct variables have acceptable construct reliability, such as the customer orientation (0.827), the customer-centric strategy (0.774), the service innovation capability (0.789), and the

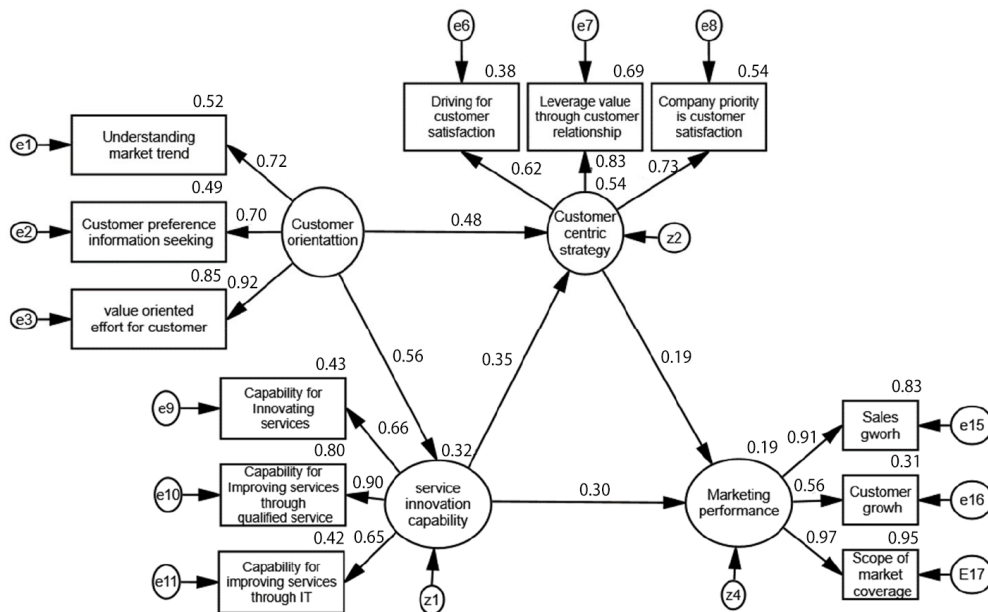
marketing performance (0.867) above the cut-off value of  $\geq 0.70$  (Arbuckle, 2016; Tabachnick & Fidell, 2012).

The second step of analysis is running a full structural equation modeling. Full SEM analysis was conducted to test the possibility of accepting the model as well as the hypotheses; the result is presented in Figure 1, with a summary of the hypotheses testing results in Table 3.

As shown in Table 3, our proposed model is well-supported, with good GFI (0.916), good CFI (0.953), good TLI (0.937), and good RMSEA (0.075). All our proposed hypotheses are supported with a critical ratio  $> 1.96$  with a significant level below 0.05, except hypothesis of the influence of customer-centric strategy to marketing performance is not significant; therefore, the conclusion is rejected.

### Mediation effect of service innovation capability

As explored in the introduction section of the current research, a gap in the literature on the inconsistency of customer orientation impact on marketing performance leads us to inset a mediation variable of service innovation capability, as stated in hypothesis number 3. In order to test the mediation effect, we adopt the procedure of Baron and Kenny (1986) and conducted four procedures for testing the mediation. The first process was running the regression for the independent variable to the dependent variable and resulted in a significant unstandardized regression weight = 0.217 with Critical Ratio = 2.2165. The second process is running the regression for the independent variable to the mediation variable, resulting in a significant unstandardized regression weight of 0.436 with



Model testing: Chi square = 88.245; Significance = 0.000; GFI = 0.916; TLI = 0.937; CFI = 0.953; RMSEA = 0.075

Figure 1. Full structural model

Table 3. Hypothesis testing criteria

The hypothesized relationship	Std.	Estimate	S.E.	C.R.	P	Conclusion
	Estimate					
H1: Customer orientation → Customer centric strategy	0.482	0.339	0.083	4.062	***	Accepted
H2: Customer centric strategy → Marketing performance	0.190	0.291	0.190	1.529	0.126	Rejected
H3: Customer orientation → Service innovation capability	0.562	0.463	0.090	5.150	***	Accepted
H4: Service innovation capability → Marketing performance	0.295	0.385	0.190	2.374	0.018	Accepted
H5: Service innovation capability mediates the influence of customer orientation on marketing performance	Full mediation is confirmed and significant (Baron and Kenny procedure (1986))					
– P1: Independent Variable (IV) → Dependent Variable (DV)	0.200	0.217	0.098	2.616	0.027	Significant
– P2: IV → Mediation Variable (MV)	0.559	0.436	0.089	4.894	***	Significant
– P3: MV → DV	0.446	0.564	0.128	4.400	***	Significant
– P4: Independent → Dependent						
– Influence of Customer orientation on Marketing performance becomes insignificant, and the magnitude of effect reduces when the mediation variable is inserted in the model	-0.041	-0.043	0.116	0.371	0.710	Not Significant
H6: Service innovation capability → Customer centric strategy	0.348	0.297	0.098	3.020	0.002	Accepted
Goodness of Fit Test				Cut-off Value	Result	Conclusion
Chi-square				Small	88.245	Not Fit
Significance				≥0.05	0.000	Not Fit
Goodness Fix Index				≥0.90	0.916	Fit
Comparative Fix Index				≥0.90	0.953	Fit
Tucker Lewis Index				≥0.90	0.937	Fit
RMSEA - Root mean square error of approximation				0.03–0.08	0.075	Fit

Critical Ratio = 4.894. The third process was running the regression for the mediation variable to the dependent variable and resulted in the significant unstandardized regression weight = 0.564 with Critical Ratio = 4.400. The last process is running by inserted the mediation variable to the variable independent and dependent from procedure number 1, resulted in decreasing magnitude of the unstandardized regression weight from 0.217 to be  $-0.043$  with a Critical Ratio of 0.371 becoming not significant. The not-significant regression weight at the fourth process indicated the existence of full mediation effect of service innovation capability to the influence of customer orientation on marketing performance, as expected. The summary of those four processes is inserted in the middle of table 3 for hypothesis number 4.

#### **4. Research contribution and direction for further research**

##### **4.1. Research contribution to the body of service knowledge**

Our primary research problem is how to elucidate the possible process of managing customer orientation to enhance marketing performance through our proposed conceptual model comprising five regression hypotheses and a mediation hypothesis. Our hypothesis testing resulted in the acceptance of four regression hypotheses and rejection of one hypothesis on the influence of consumer-centric strategy on marketing performance. The hypothesis of the mediation effect of service innovation capability is accepted. Based on the regression weight of our structural equation model, several findings are presented in the following passage.

Firstly, a very strategic path for enhancing marketing performance is empowering customer orientation for enhancing the service innovation capability, as a stepping stone for enhancing marketing performance. This solution path, as proved by the acceptance of the mediation hypothesis, demonstrated the importance of customer orientation as a basis for building a stock of knowledge and information for strengthening the company's value-creator (Grönroos & Svensson, 2008) in the form of service innovation capability. This finding is strengthening the essence of service-dominant logic that a company that maintains and empowers its capability to create value, as well as co-created value through the collecting of customer's information, will enjoy the higher marketing performance (Vargo & Lusch, 2017; Vargo et al., 2008).

Secondly, our study proved a path for enhancing customer-centric strategy through the basis for co-creation process as mentioned as the core of service-dominant logic (Galvagno & Dalli, 2014; Kuppelwieser & Finsterwalder, 2016; Vargo & Lusch, 2017; Vargo et al., 2008) in the sense of building a hub of value creator through the close relationship with customers and consumers. As customer orientation is understood as a stepping stone for value pioneering (Leavy, 2005) and value creator for consumer,

company that accentuate effort to enhance the consumer-based strategy as known as a consumer-centric strategy will be focusing on products' and services' value (Gebauer et al., 2011; Lamberti, 2013) through the empowering its service innovation capability. Innovative services as the evidence of the working of a service innovation capability are the tools for empowering a consumer-centric strategy.

Thirdly, the rejection of our hypothesis on the influence of a consumer-centric strategy to marketing performance is a blessing in disguise for enriching the body of knowledge of service-dominant logic. As mentioned in the study of Scheinbaum and Wang (2018), a consumer-centric culture of doing business will be empowering the customer's commitment to enhancing performance. However, the rejection of this hypothesis provides an alternative point of view that the consumer-centricity strategy only an initial way that will enhance marketing performance indirectly. Therefore, another point of search for further marketing knowledge exploration is finding any conceptual bridge variable for impacting the marketing performance.

##### **4.2. Managerial implication**

Based on the magnitude of our regression coefficient and the marketing strategy path drawn for the model, several managerial implications could be discussed as follows. The first implication is that service innovation capability is a reliable instrument for enhancing marketing performance.

If a company is striving to enhance the marketing performance, a pivotal point to be emphasized is the empowering or enhancement of the service innovation capability. The enhancement process may include renewing or reconfiguring the features of services to be offered into the marketplace. By improving those efforts, the company's services could be perceived as a quality-oriented service. As technology becoming part of our daily life, the application of technology as well as information technology should be a part of company service innovation effort.

The second implication, when a company is struggling for maintaining and or enhancing performance in a competitive market, initiating a synergizing relationship as a kind of customer-oriented business practices is crucial as a way to get ways for an excellent consumer-centric strategy. The insignificant effect of consumer-centric strategy on marketing performance leads us to be aware of finding on a kind process on how to manage a consumer-centric strategy to be able to enhance marketing performance. The alternative process might be such as developing any kind of service value accentuation or value resonating program, which could be considered as a way for empowering the consumer-centric strategy in enhancing marketing performance.

##### **Limitation and venue for further research**

The process of data collecting in this research is in the scope of companies' management points of view; it was

the lack of employee's opinions. Therefore, a research venue could be directed to apply a dyadic process of data collecting to get a more precise measurement. The current study has resulted in an unexpected result on the rejection of a hypothesis on the influence of consumer-centric strategy on marketing performance. The rejection of this hypothesis provides ways for inserting a mediation between consumer-centric strategy to marketing performance or a venue for reconfiguring the content of consumer-centric strategy from another perspective, such as from the perspective of self-congruence theory or social identity theory.

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## Disclosure statement

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