

The Effect of Seven Marketing Activity Levers (7As) and Expectations of Service on Hotel Service Performance in Thailand

Thawit Buathong, Narissara Sujchaphong, and Chutima Ruanguttamanun
Mahasarakham University, Thailand

Abstract

In the service sector of Thailand, evidence indicates that hotel businesses make the highest contribution to gross domestic product. To ensure that this growth is sustainable, hotel businesses should consider marketing activities as crucial tools. The purpose of this research was to observe the effects of seven marketing activity levers (anticipation, adaptation, alignment, activation, accountability, attraction, and asset management—7As) and service performance. Data were collected using a questionnaire from 255 hotel businesses in Thailand (128 from 3-star hotels and 127 from 4- to 5-star hotels). The data were analyzed using Confirmatory Factor Analysis to measure the impact of the 7As on hotel service performance. Structural Equation Modelling was also used to test the usefulness of a 7As model that had been developed from relevant studies. The results revealed differences in the relevance of the 7As between 3-star hotels (medium expectations) and 4- to 5-star hotels (high expectations). These findings indicate that hotel managers should organize suitable marketing activities relevant to a hotel's rating. The findings may also be compared to other relevant industries so that generalizations may be considered.

Keywords: Marketing activity levers (7As), expectation of service, service performance

Introduction

Marketing management involves the process of selecting a target market and retrieving, preserving, and increasing customers through producing, distributing, and transmitting superior customer value (Kotler & Keller, 2003). Moreover, marketing strategy also involves planning important goals that create sustainable and competitive advantages (Barker, 2014). In addition, Aaker and McLoughlin (2010) suggested that marketing strategies includes processes that allow an organization to consider resources for optimal opportunities with the intent of achieving sustainable competitive advantage and increased sales. Prior research has indicated that suitable marketing strategies bring profits from value creation which customers can perceive (Kotler & Armstrong, 2013). It has also been indicated that businesses with recognizable marketing strategy methods are accentuated because they utilize value-adding behaviors (Moorman & Day, 2016). As such, marketing methods should transform the marketing activities to meet marketing objectives and a company's goals (Homburg, Wieseke, & Bornemann, 2009).

In a recent proposal by Moorman and Day (2016), it was suggested that elements of marketing activities in the marketing strategy process have an effect on the organization's performance. These strategies consist of 7As, which are anticipation activities, adaptation activities, activation activities, alignment activities, accountability activities, attraction activities, and asset management. These activities allow businesses to expect changes in the market, be wary of competition, associate their firms with appropriate market strategies, initiate an effective application of activities, certify accountability of results, draw on resources, and control assets in marketing.

Literature Review

The hospitality industry, particularly hotel businesses, experience competition based on an establishment's offered value. For hotels, it becomes necessary to assess various dimensions of service performance. In Thailand, the hotel industry has shown a stable growth rate, leading to heavy investments in high-end tourism (3- to 5-star level hotels) (Board of Investment of Thailand, 2017). They also are benefitting from the growing number of visitors staying in this type of hotel (World Travel and Tourism Council, 2018). To keep up with this growth, marketing strategies thus need to be aligned with the highly competitive conditions found in the hotel industry.

The theoretical foundations of this research include Resource-Based View (RBV), Dynamic Capability, and Marketing Capability approaches, implemented to describe the relationship between marketing activities and service performance. The RBV theory indicates that an organization should have resources that are valuable, rare, costly to imitate, and difficult to substitute (Wernerfelt, 1984). According to Teece, Pisano and Shuen (1997), the Dynamic Capability approach allows the examination and discussion of an organization's capability to reconfigure, build, and integrate external and internal competency in light of fast-changing surroundings. This perspective emphasizes the internal resources of the firm, which also extends the RBV to dynamic markets (Eisenhardt & Martin, 2000). On the other hand, the Marketing Capability approach involves the application of skills and knowledge to transform and combine resources that help in attaining an organization's goals. This also involves the complex coordinated patterns of skills and expertise that become embedded as organizational routines develop over time (Grewal & Slotegraaf, 2007). In summary, three theories are applied to a relationship. The 7As act as marketing activity resources which create an advantage in the marketplace, bringing about superior service performance.

The following paragraphs will provide more details regarding the 7As, their division into marketing strategies, and the hypotheses generated for this study.

Conceptual Framework and Hypotheses

In Figure 1, the conceptual model used in this research is shown. The 7As have been divided into four groups. First, the design of marketing strategies includes anticipation activities (ANTI) and adaptation activities (ADAP). Second, for implementation, the marketing strategy consists of activation activities (ACTI) and alignment activities (ALIG). Third, the assessment of marketing strategy is defined by accountability activities (ACCO). Lastly, the resourcing of marketing strategy is comprised of attraction activities (ATTR) and asset management (ASSE). All these activities can influence service performance.

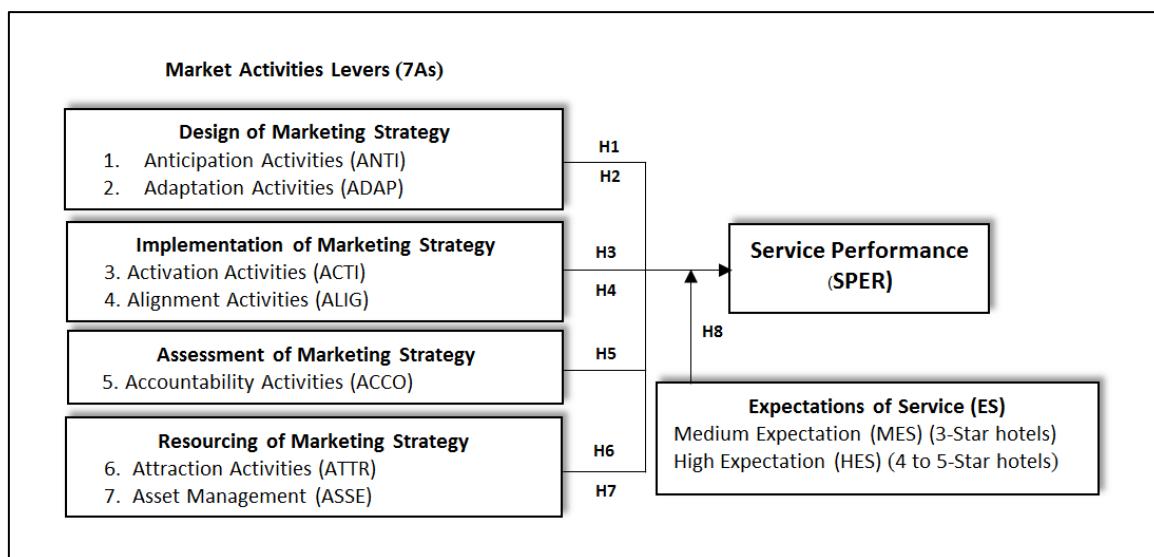


Figure 1. Conceptual Framework (7As) and Expectations of Service on Service Performance

Researchers have focused on measuring service performance as a dependent variable. The population and sample in this study are hotel businesses that operate in Thailand. In previous studies, particularly in the hotel context, distinctions were made based on hotel size, which should also have an effect on customers' initial expectations and observed actual performance (Pine & Phillips, 2005). Because of this, the current study focused on two types of hotel businesses: high expectation hotels (4- to 5-star) and medium expectation hotels (3-star) to evaluate the 7As, customer expectations, and service performance. This research objective was driven by the need to identify appropriate marketing activities and to enhance service performance. Specific research questions were:

- 1) How do the 7As relate to service performance?

2) How do the different expectations of service (3-star hotels and 4- and 5-star hotels) affect the relationships among the 7As and service performance?

Anticipation Activities (ANTI)

Anticipation activities are defined as a firm's ability to provide expected service or predict customer value to meet customers' needs to prepare for future competition (Ballantyne & Varey, 2008). When performed effectively, anticipation activities deliver an accurate and rapid comprehension of external surrounding opportunities, so that businesses can provide consumers with better services than rival businesses, and even change the market to its benefit and enhance the firm's performance (Kohli & Jaworski, 1990). The ability to respond with dynamism to customer's changing needs is also referred to as customer value (Ballantyne & Varey, 2008). Moreover, Morgan and colleagues (2009) identified that anticipation activities relate to a firm's performance. Therefore, the following hypothesis is proposed:

Hypothesis 1: Anticipation activities in the design of marketing strategy have a positive influence on service performance.

Adaptation Activities (ADAP)

Adaptation activities refer to a firm's ability to continuously adapt itself in particular ways in order to survive and benefit from external circumstances (Schindehutte & Morris, 2001). Cultural elements are also vital to adaptation, including a business's readiness to empower product champions (Tellis, Prabhu, & Chandy, 2009). Moreover, adaptation activities involve the use of precise approaches in each market in terms of asset application (Zou, Andrus, & Norvell, 1997). Kaelher and colleagues (2014) showed that the firm's strategies affect its capability to adapt, and also proposed that the better the company's dynamic ability, the greater its adaptive organizational ability and the better its market performance. Martin-Rios and Pasamar (2018) showed that adaptive activities relate to a firm's performance. Therefore, the following hypothesis is proposed:

Hypothesis 2: Adaptation activities in the design of marketing strategy have a positive influence on service performance.

Activation Activities (ACTI)

Activation activities refer to a firm's ability to be identified with employee actions. Employees responsibilities are very often related to the implementation of negotiating conditions, and the motivation for employees to work together (Homburg & Pflessner, 2000). Masdek, Aziz, and Awang (2011) stated that by managing and understanding the factors of service performance of the hotel industry, marketing activities will become more efficient, service employee recruitment will be improved, the effectiveness of customer complaint handling will be strengthened, and the knowledge of customer service, reward systems, and hotel training program orientations will increase. Homburg and Pflessner (2000) suggested that employees are responsible for a firm's success. The marketing leaders could initiate suitable actions and measures as a way to increase the quality of their service performance. Moreover, Molina and Ortega (2003) identified that activation activities were related to a firm's performance. Therefore, the following hypothesis is proposed:

Hypothesis 3: Activation activities in implementation of marketing strategy has a positive influence on service performance.

Alignment Activities (ALIG)

Alignment activities mean a firm's ability to create an organizational structure that represents the way of organizing business divisions and business units as well as the information that accounts for a responsible market (Moorman & Rust, 1999). Chi, Kilduff and Gargeya (2009) confirmed the effect of the alignment structure on business performance. Such alignment involves rationalizing organization structures with competing priorities and business environment characteristics. Moreover, Tawaha (2015) identified that alignment activities are related to a firm's performance. Therefore, the hypothesis proposed is as follows:

Hypothesis 4: Alignment activities in the implementation of marketing strategy have a positive influence on service performance.

Accountability Activities (ACCO)

Accountability activities refer to a firm's ability to use indicators to link to the firm's marketing actions from investments in marketing activities and to take responsibility for the profit or loss (Verhoef & Leeflang, 2009). Additionally, it is also a control and monitoring system used to examine the performance against the goals and to study what must change in the future (Moorman & Day, 2016). Sexton and colleagues (2010) explained the method through which marketing defines an organization's financial performance. The method proposed indicated the crucial metrics of customer value and perceived value added to leading statistics of financial performance. Moreover, Stewart (2016) identified that alignment accountability is related to a firm's performance. Therefore, the hypothesis made is as follows:

Hypothesis 5: Accountability activities in the assessment of marketing strategy have a positive influence on service performance.

Attraction Activities (ATTR)

Attraction activities refer to a firm's ability in activities, method of communicating, creating, exchanging, and delivering products or services that have value for clients, customers, society, and partners at large (Johnson, Sohi, & Grewal, 2004). Experienced marketing managers can entice business venture capital funding (Homburg, Hahn, Bornemann, & Sandner, 2014), but competitor and customer orientations affect the initial public offering outcomes (Saboo & Grewal, 2013). Furthermore, businesses with strong relational abilities attract good associates (Johnson, Sohi, & Grewal, 2004). Beckman, Haunschild and Phillips (2004) emphasized that a business enlarges its networks by creating new connections by motivating new associations. On the other hand, effective firms implement activities that attract valuable new associations with customers both from direct and indirect networks. Therefore, the hypothesis proposed is as follows:

Hypothesis 6: Attraction activities in the resourcing of marketing strategy have a positive influence on service performance.

Asset Management (ASSE)

Asset management refers to a firm's ability to use marketing resources, which consist of human resources, financial, knowledge, brand, customer needs, asset, and related capabilities, to offer value for the target market (Ramaswami, Srivastava, & Bhargava, 2009). Pervan and Višić (2012) showed that asset turnover has a strong positive relationship with the business processes, market assets, and financial performance of a company. Tsai and colleagues (2012) indicated that intangible assets are seen as the firm's dynamic capacities, created by organizational structure, knowledge, brand, innovative capacity, market share, and research and development. Meanwhile, tangible asset importance has become evident due to the greater appreciation of companies with intensive asset use. This makes it an important differentiating factor, contributing to the achievement of competitive advantage (Kayo, Kimura, Martin, & Nakamura, 2006). As mentioned above, many researchers have identified asset management as related to a firm's performance. Therefore, the hypothesis proposed is as follows:

Hypothesis 7: Asset management in the resourcing of marketing strategy has a positive influence on service performance.

Service Performance (SPER) and Expectation of Service (ES)

Tseng, Kuo, and Chou (2008) indicated that service performance can be measured by examining performance indicators in the hotel industry. These involve the average expected occupancy rate, average growth rate in market share, average sales growth rate, and consumer satisfaction. On the other hand, Fernández and Bedia (2004) investigated whether a hotel rating system was a good service quality indicator, and discovered that the ranking provided by the consumers' expectations followed the star rankings. In addition, it was found that hotel businesses

with the highest stars had the highest expectations for performance (Chand & Katou, 2007). Hardy (2014) suggested that medium expectations of service (3-star) and high expectations of service (4 to 5-stars) were reflected in distinct differences in the application of the 7As for their star rating hotel strategy and service performance. Hence, the hypothesis proposed is as follows:

Hypothesis 8: The higher the expectations of service, the stronger the relationships between marketing activity levers (7As) and service performance.

Methodology

Sample Selection and Data Collection Procedure

Hotel businesses in Thailand were selected to investigate the conceptual model proposed in Figure 1. Data were collected in the 3- and 4- to 5-star hotels for identifying differential effects in the relationships between 7As and service performance in the hotel industry. Information was collected from the perspective of the marketing manager or the individual responsible for marketing functions in response to consumer needs. The primary reasons for initiating this research were as follows. First, the hotel business is faced with intensifying competition, leading to the need to develop and create marketing strategies to accommodate changing situations in tourism. Second, hotel businesses are very important for the Thai economy. In Thailand, tourism businesses represent 17% of the national GDP, which generates THB 2.5 trillion for the country's domestic economy. Third, 3-star and 4- to 5-star hotels in Thailand have expanded because of direct investment by large operatives, and are mainly located in local growth centers, other tourist places, and border municipalities which are anticipated to gain advantage from the Asian Economic Community.

This study distributed questionnaires to 3-star and 4- to 5-star rated groups of hotels. The Tourism Authority of Thailand (2019) data base in the year of the study listed 1,521 firms (937 3-star hotels, and 584 4- to 5-star hotels). A response rate of 20% is needed for this type of research to be valid (Aaker, Kumar & Day, 2001), and this was achieved, with replies received from a total of 304 hotels, consisting of 187 3-star hotels, and 117 4- to 5-star hotels. However, Anderson and Gerbing (1988) suggested that the minimum sample size for conducting Structural Equation Modeling (SEM) should be 100-150 per group. The number of useable questionnaires received was 128 for 3-star hotels, and 127 for 4- to 5-star hotels. Thus, this sample size was adequate for analysis.

Research Instrument

This research employed a questionnaire to collect data (Neuman, 2006); the data were analyzed by using appropriate statistical techniques. Data collection via a questionnaire is familiar to marketing managers, and it can be collected from a representative population in a variety of locations at a low cost (Winston, David, Kwok, and Sharp, 1998).

The reliability and validity of the instrument was assessed using three methods. First, the item objective congruence index (IOC) was tested by three experts in the marketing area. If the result of item-objective congruence index from all items is equal to $.64 > .50$, then it is acceptable (Turner & Carlson, 2003). Second, a pilot study was used to solicit responses from 30 respondents in the context of understanding the survey's measures, wording, and to estimate any uncertainty in the questionnaire's reliability. The Cronbach's alpha coefficient was used to measure the reliability of the subjects' answers; values above .75 were considered acceptable (Sampieri, Collado, & a Lucio, 2010).

Analysis of thirty-one questions in the questionnaire returned alpha values between .86 and .94, which exceeded the acceptable cut-off score. Questionnaires (1,334 packages) were mailed in August–September 2018. Some surveys were undeliverable (28). Out of the valid mailing (1,306 surveys), 258 responses were returned. The number of usable surveys was only 255. This sample is considered adequate for conducting SEM (Anderson and Gerbing, 1988). Third, the surveys were separated into two equal parts: the first group consisted of 127 responses, which were regarded as the early respondents, and the second group consisted of 128 responses, which were regarded as the late respondents. Analysis indicated that there were no differences for each factor from both the first and second respondent groups. Therefore, the instrument had validity and reliability and could be used to proceed toward the next step.

Variable Measurement

The eight constructs were developed bearing in mind the definition of each construct and the relationship between the theoretical framework and previous research findings. Additionally, a Likert five-point interval scale was employed in the surveys (1=strongly disagree to 5=strongly agree). In each question, respondents specified their agreement level with a given statement using an ordinal scale (Likert, 1961). Likert scales are unidimensional because they measure one trait and also represent a non-comparative scaling technique. The variables measured were as follows.

Dependent Variable

Measurement of the dependent variable involved a four-item scale which was adapted from Tseng et al. (2008). They examined service performance that consisted of average growth rate in market share, average sales growth rate, average expected occupancy rate, and consumer satisfaction. The items asked for perceptions over the past three years of monitoring and the evaluation, provided from the marketing manager's hotel, including complete, accurate evidence based on facts of a credible nature (Sun & Lu, 2005).

Independent Variables

The key informants were asked for their perceptions of relevant marketing activities that were understood strictly as service performance. This construct (35 items) was adapted from an existing scale following the suggestion of Moorman and Day (2016), who studied various factors including 7-As type activities. The breakdown of questions was as follows: *Anticipation activities* were measured by 5-items adapted from Tellis et al. (2009). *Adaptation activities* were measured by 5-items adapted from Homburg and associates (2002). *Activation activities* were measured by 5-items adapted from Homburg and Pflessner (2000). *Alignment activities* were measured by 5-items adapted from Wieseke and colleagues (2009). *Accountability activities* were measured by 5-items adapted from Verhoef and Leeflang (2009). *Attraction activities* were measured 5-items adapted from Johnson and associates (2004). *Asset management* was measured 5-items adapted from Ramaswami et al. (2009).

Moderator Variables

The moderator variable represented the difference between a customer's initial expectations and observed actual performance. Two types of expectations were recognized. *Medium expectations of service* represented consumers who expected to receive a medium quality of service that would meet the needs of clients in 3-star hotels. *High expectations of service* represented consumers who expected to receive a high quality of services that would meet the needs of clients in 4- to 5-star hotels. The measurement of the expectations of service was factored in by setting up a dummy variable.

Statistical Techniques

Structural equation modeling (SEM) was used to analyze the data derived from respondents. It was also used to examine the total effect of exogenous variables on the endogenous variables in the structural model. A two-step approach was used to test the structural model as recommended by Anderson and Gerbing (1988). This research utilizes SEM to examine the data derived from respondents by testing the measurement model first. The confirmatory factor analysis (CFA) technique was used to assess fit and validity. The next step was to test the conceptual framework and the validity of the eight hypotheses generated.

Confirmatory Factor Analysis and Model Assessment

Confirmatory Factor Analysis (CFA)

All items showed Chi-Square test results that were not significantly different from zero at the 5% level. The Root Mean Square Error of Approximation (RMSEA) was less than .80 and the Goodness of Fit Index was above .90. All standardized factor loadings had a significant impact at the .01 level of significance, and the Squared Multiple Correlation (R^2) was above .40. An estimating parameter in SEM via Maximum Likelihood estimation (ML) is convergence, and proper solutions are obtained when the sample size is large enough (Boomsma & Hoogland, 2001). To summarize, the findings of 7As and service performance were reliable and valid. In addition, the results showed that the correlation matrix in 3-star and 4 to 5-star hotels was lower than .80, which indicated no multicollinearity problems (Hair, Black, Babin, Anderson & Tatham, 2006).

Structural Model Assessment

Each hypothesis was tested separately for the 3-star and 4- to 5-star hotels. The results showed that the observed and estimated covariance matrix was not different at the 5% level of significance. χ^2/df was lower than 2 ($7.541/10 = 0.754 < 2.00$), p -value = .674 > 0.05, which showed an adequate fit of the model with the observed data. Moreover, the Normed Fit Index (.996), Comparative Fit Index (1.000), Incremental Fit Index (1.001), and Relative Fit Index (.965) were all above the cutoff criteria (.900), and RMSEA (.000) was lower than the recommended value (.80). To summarize, these indicators demonstrated a good fit. The results of the hypothesis testing were as follows:

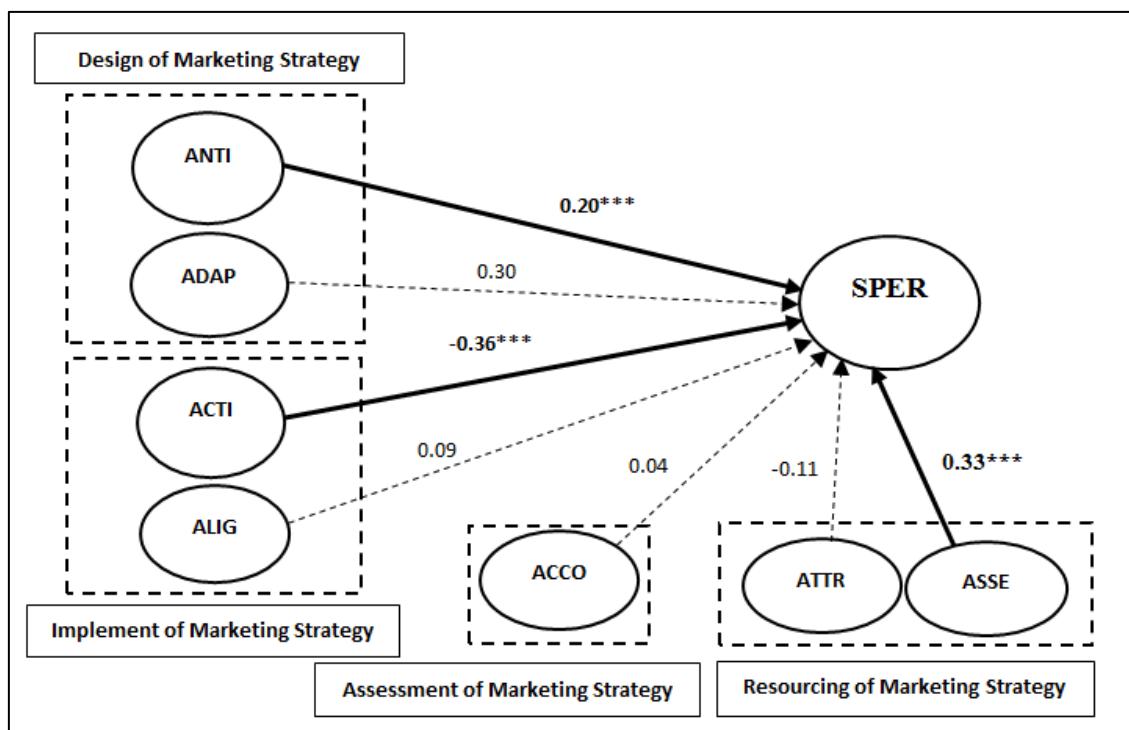


Figure 2. Structural Model of 7As and Service Performance of 3-Star (MES) Hotels Framework

Three-star hotels (Fig. 2): For the 7As and service performance, the results indicate the following—anticipation activities (H1: $\gamma = 0.20$, $p < .01$), adaptation activities (H2: $\gamma = .30$, $p > .5$), alignment activities (H3: $\gamma = .09$, $p > .05$), activation activities (H4: $\gamma = -.36$, $p < .01$), accountability activities (H5: $\gamma = .04$, $p > .05$), attraction activities (H10: $\gamma = -.11$, $p > .05$), and asset management (H7: $\gamma = .33$, $p < .01$). *Therefore, H1, H4, and H7 are supported, and H2, H3, H5, and H6 are not supported.*

A standardized estimate was used to compare the size and direction of the relative strength or importance of the construct in the model. In Figure 2, it is shown that asset management ($\beta=0.33$)

is the most influential factor affecting service performance. In addition, anticipation activities ($\beta=.20$) and activation activities ($\beta=-.36$) exert an impact.

Four to 5-star hotels (Fig. 3): For the 7As and service performance, the results indicate the following—anticipation activities (H1: $\gamma= .20$, $p < .01$), adaptation activities (H2: $\gamma= .03$, $p > .5$), alignment activities (H3: $\gamma= .29$, $p < .01$), activation activities (H4: $\gamma= -.26$, $p < .05$), accountability activities (H5: $\gamma= .22$, $p < .01$), attraction activities (H6: $\gamma= -.022$, $p > .05$), and asset management (H7: $\gamma= .220$, $p < .05$). *Therefore, H1, H3, H4, H5 and H7 are supported and H2 and H6 are not supported.*

A standardized estimate was used to compare the size and direction of the relative strength or the importance of construct in the model. In Figure 3, it is shown that accountability activities ($\beta = .22$) are the most influential factor affecting service performance. Other factors that impacted on service performance were alignment activities ($\beta=.29$), asset management ($\beta = .22$), anticipation activities ($\beta = .20$), and activation activities ($\beta = -.26$).

The data indicated that in the higher expectations of service (4 to 5-star) hotels, marketing activities showed a stronger relationship than medium service (3-star) hotels in five marketing activities. *Therefore, H8 was partially supported.*

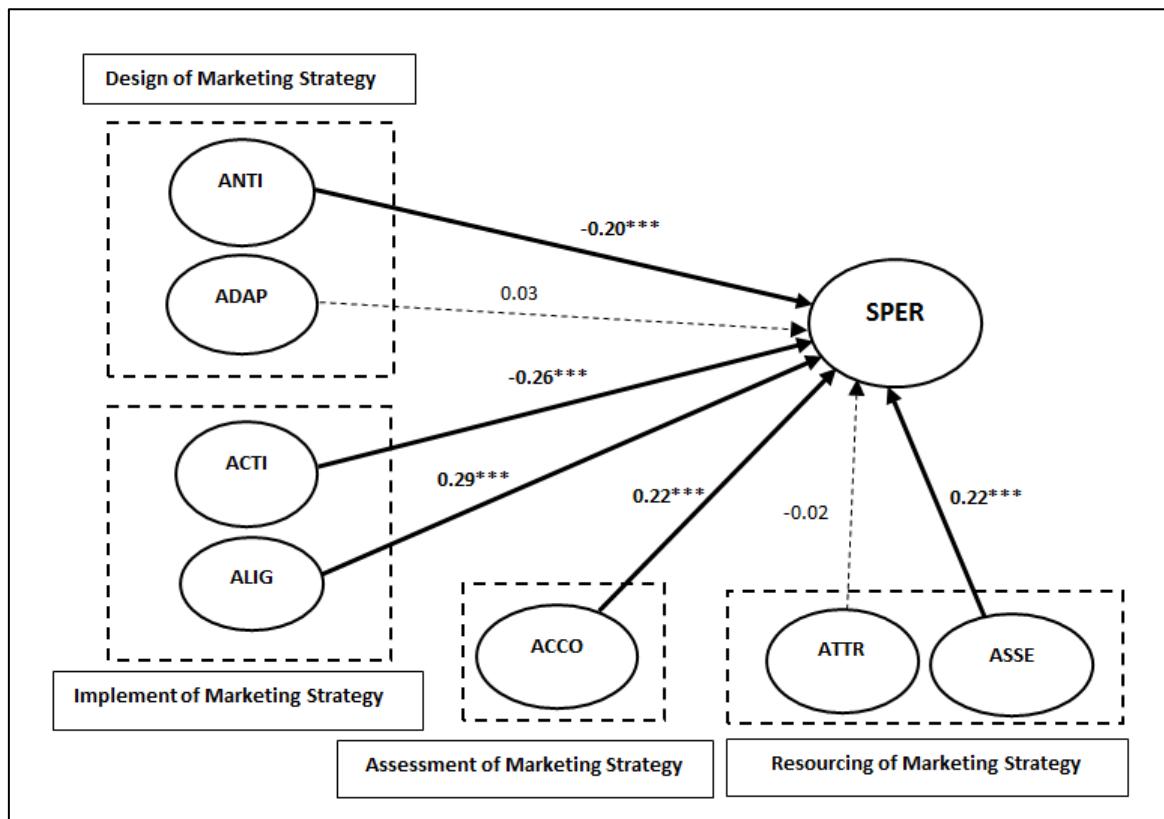


Figure 3. Structural Model of 7As and Service Performance of 4 to 5-star (HES) Hotels Framework

Discussion and Recommendations

The results indicate that *Anticipation activities* had a significant effect on 3-star hotel performances. However, they had a significant negative impact on the performance of 4- to 5-star hotels. Due to the large number of 3-star hotels, customer relationships must be built in anticipation of future needs for a successful marketing strategy process. It is possible that anticipation activities enhance the understanding of consumer needs to provide for better consumer satisfaction at present. According to Kohli and Jaworski (1990), anticipation activities can be considered an important idea. However, useful market intelligence pertains to current needs as well as to future demands. In 4- to 5-star hotels, the consumers have high expectations in regards to service quality.

The data indicate that 4- to 5-star hotels should not place too much emphasis on anticipation activities.

The findings on *Adaptation activities* indicated that these do not affect service performance. Therefore, hotels should not make adjustments based on the business environment and competition. A hotel should survive through self-reliance and create an image of its uniqueness, rather than trying to adapt to keep up with competitors' strategies. At present, the needs of hotel customers have changed enormously. Customers do not need an adaptation of the same strategy of another hotel; instead, customers seek to stay and receive differentiated service. As a result, an increased appreciation of a hotel's unique features is a trend among customers because there are additional requirements beyond just a place to stay (Forsgren & Franchetti, 2004). Gilmore and Pine (2002) argued that uniqueness gives the customer a memorable stay by providing an extraordinary experience. For example, unique hotel themes can encourage an extended stay. Thus, adaptation activities might not be enough for a hotel strategy anymore. The manager of 4- to 5-star hotels must create uniqueness for the hotel. On the other hand, 3-star hotels should be focused on price strategy more than a unique strategy (Tefera & Govender, 2015).

Activation activities may have significant adverse effects on the service performance for 3-star and 4- to 5-star hotels. A hotel employee must be careful when assigning tasks. Tasks must be assigned according to employees' job skills. Furthermore, a hotel should provide employee motivation and monitor stress induced from their workload. Moreover, frontline employees are prone to confront challenging and unscripted circumstances with different customers, which may cause disengagement (Anaza & Rutherford, 2012). Hotel managers have considerably more stress than employees paid by the hour. Employees and coworkers who experience stress can develop negative attitudes within the workspace. Additionally, interpersonal tensions at the office or workplace are connected with staff turnover and job satisfaction (O'Neill & Davis, 2011). For this reason, excessive responsibility allocation has a negative impact on service performance. Academicians or managers who have a responsibility to develop service performance in 3-star and 4- to 5-star hotels should be aware of the appropriate activation activities for motivating and assign their employees specific tasks suitable to enhance services to customers.

Alignment activities did not exert a significant impact on the performance of 3-star hotels. Nevertheless, they had substantial effects on the performance of 4- to 5-star hotels. Thus, 4- to 5-star hotels need to rely on marketing processes because they will lead to successful service performance. It is clear that alignment activities are essential factors for high service quality hotels that enhance customers' perception of quality. The 4- to 5-star hotels must have an availability of resources such as marketing structure, marketing capital, marketing capability, and marketing resources. With these, they can implement alignment activities well. Hotels with marketing personnel permit customer needs to be identified. According to Moorman and Rust (1999), alignment activities are part of marketing variables seen as a function that controls relationships between the consumer and the organization, which contributes to a satisfactory relationship between financial and service performance. Therefore, the managers in 4- to 5-star hotels should consider alignment activities between hotel structures and interactions with employees. In 3-star hotels, the focus should be on increasing the alignment activities to develop and create a marketing organizational structure. It enhances the connection between the marketing organization and consumer needs to achieve better service performance.

Accountability activities have no effect on 3-star hotels, but had a significant impact on the performance of 4- to 5-star hotels. The latter are large businesses and, as a result, they have formal assignments and work departments. They also have indicators of returns on investment. Therefore, marketing activities are used to indicate and improve the effectiveness of marketing implementation. Consequently, it is clear that accountability activities are an essential factor for a hotel that has high service quality and high expectations from consumers (4- to 5-star hotels). According to Verhoef and Leeflang (2009), a firm might use indicators, such as the firm's returns from investments in marketing activities, to take responsibility for the profit or loss that is financially relevant to outcomes, growth over time, firm performance, profitability, and stock returns. Thus, the managers who have a responsibility to develop service performance in 4- to 5-star hotels should

support and maintain their accountability activities, because measurement of marketing activities can be linked to customer satisfaction and achievement of firm financial goals.

Attraction activities exerted no significant impact on the performance of 3-star and 4- to 5-star hotels. Therefore, the hotels may not benefit from partnership alliances. Hotels might be better advised to depend on self-reliance, cost reduction, and choosing useful partnerships for some types of jobs instead of relying on partners in a diversity of activities. Hotel managers will have the capability to operate their business such as creating strategies for a unique hotel and an extraordinary experience. Also, marketing activities within the hotel may be used for some business tasks, and sometimes only for building service performance (Forsgren & Franchetti, 2004). If the hotel has specialized in management and has adequate resources for its operations, the hotel can reduce its dependence on partnerships. On the other hand, if a hotel lacks knowledge, expertise, and resources, it may need to connect with others to increase service performance.

This research indicated that *Asset management* had the most significant positive effects on the service performance of hotels. It also showed that asset management was imperative and must be considered explicitly in relation to staff, financial matters, brand identity, knowledge, customer, resources, and capabilities. Thus, asset management is a factor impacting service performance. According to Moorman and Day (2016) a firm's ability to use marketing resources (human, financial, knowledge, brand, consumer assets, and related capabilities) to create a value offering for the target market is related to marketing activities and to a firm's performance. In order to increase service performance, it is necessary to focus on preparing to integrate asset management with marketing activities. The manager of the hotel must place emphasis on supporting management systems that are designed for human resources, financial, knowledge, brand recognition, customer needs, tangible and intangible assets, and capability as the most critical business process for driving service performance and contributing to the achievement of competitive advantage (Hall, 1992).

This research showed that the higher expectations of service in 4- to 5-star hotels fostered some activities more strongly than in a medium service enterprise (3-star hotel). These consisted of alignment activities, activation activities, accountability activities, anticipation activities, and asset management. Hardy (2014) demonstrated that hotels must utilize differentiation strategies and activities to create effective performance according to their star rating. Also, managers must consider and beware of marketing activities that have a significant negative impact on hotel service performance.

Limitations and Final Remarks

This research attempted to provide theoretical contributions that can explain the underlying mechanisms of the relationship between 7 As and service performance. Three theories, including resource-based view, dynamic capability and marketing capability approaches were employed as the theoretical foundation of this research. It is acknowledged that while the findings of this study may present a simplification of concepts for other firms in other cultural contexts, they do provide a foundation for future studies, especially in the hotel industry. First, future research should seek other moderating variables, such as market and corporate turbulence. Second, researchers should also consider understanding 7As through the eyes of customers. Third, the survey was conducted on the Thai hotel industry. Future surveys could extend the current findings to other industrial sectors. Finally, classifying types of performance (financial and non-financial performance) and other performance indicators, such as consumer retention, and marketing performance may enhance the understanding of 7As and firm performance.

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