

The Synergistic Impact of Customer Orientation and Supplementary Services on Competitive Advantage and Organizational Performance (Pilot Survey)

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Abstract

The study was allocated for a pilot survey since there is a lack of information about the Jordanian banking sector in regards to the variables of the study. A pilot survey was conducted to detect weaknesses in survey instrument design and determine the factors that contribute for the measurement of different variables. Variables to be examined in this study are customer orientation, information, financial consultation, banking procedures, customer service, security and trust, exceptions, bank statements and notices, banking transactions, competitive advantage and organizational performance. Different analyses were executed to determine the fitness of different items for the variables. Respondents of 50 branch managers were approached from the sixteen Jordanian banks and 5-point Likert scale was used to measure the variables. Statistical Package for the Social Sciences (SPSS) Version 22 was used for data analysis. The results of the study show that the questionnaire developed is suitable to be used for the study of customer orientation and supplementary services factors. The instrument is also suitable to be used in the context of banking industry in Jordan.

Key Words: *Customer Orientation, Supplementary Services, Competitive Advantage, Organizational Performance, Jordanian Banking Industry.*

Introduction

The mature Jordanian banking industry is experiencing a dynamic and competitive environment. As it continues offering core products as commodities and standardized that are indistinguishable from each other (Tarabieh & Ahmad, 2015). The commodities and standardized core products have increased the level of competition in the industry, as well as customer expectations (Lovelock, 1996). Due to the many alternatives available, customers now demand increasingly higher level of service and expect service providers to exceed customers' expectations. Consequently, customer orientation is imperative to ensure survival, but it could not provide a competitive advantage in service companies (Kirca, Jayachandran, &

Bearden, 2005). This is because a core competency is a bundling of resources and customer orientation as one resource is not likely to be sufficient to create a competitive advantage which, in turn, leads to better organizational performance (Baker & Sinkula, 2005; Tsiotsou & Vlachopoulou, 2011).

To succeed in the mature stage, the management in the banking industry faces numerous challenges. Banks are developing new marketing strategies to differentiate their service products in order to survive in this mature stage. One of the marketing strategies that could provide competitive advantages is that of adding value to a company's core products. Lovelock (1996) referred to these added values as supplementary services in his concept flower of service.

In fact, to date, this assumption (flower of service concept) has not been empirically tested. Therefore, this study attempts to fill this gap by adapting flower of service concept (originally consists of eight variables of supplementary services) which is specially developed to address the impact of customer orientation and supplementary services on gaining competitive advantage which, in turn, lead to organizational performance in the Jordanian banking industry (see Figure 1.1).

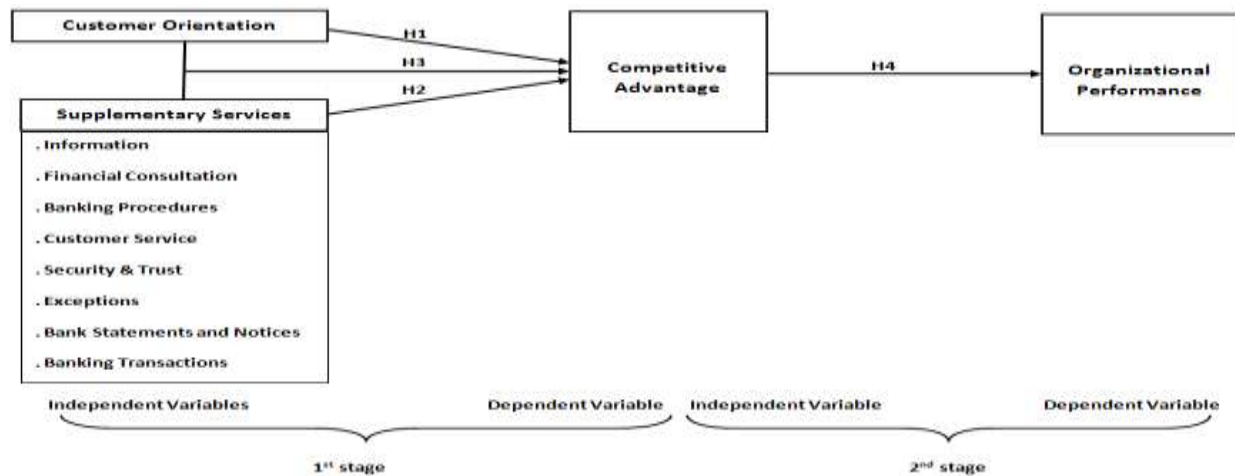


Figure 1.1: Theoretical framework

Theoretical Background

Customer Orientation

The general purpose of customer orientation is to provide companies with a solid basis of intelligence pertaining to current and future customers for executive actions (Sorensen, 2009). This is because customers' perceptions of the benefits of a product change over time. What a company offers today may not match the needs of the customers tomorrow (Zhou, Kin, & Tse, 2005). Customer is essential but difficult to sustain. If it is not sustained, the company runs the risk of losing customers to competitors (Zabal & Goodwin, 2012). Robledo (2001) suggested that understanding customer expectations is a prerequisite for delivering superior service, since customers evaluate the services of a company by comparing their perceptions of the service with their expectations. Narver and Slater (1990) point out on how this understanding is necessary to identify existing and potential customers and focus on their present and future needs, and the perception that will lead customers to obtain satisfaction today and in the future. Therefore, a company must ascertain the changing preferences of customers continuously and adjust its products and/or services offerings accordingly.

Deshpande, Farley, and Webster Jr (1993) identified customer orientation as a set of beliefs that puts the interest of customers first, while not excluding those of all other stakeholders such as owners, managers,

and employees, for the development of a long-term profitable business. Although customer orientation is a part of an overall, it is much more fundamental. A simple focus on information about the needs of actual and potential customers is inadequate without the consideration of a more deeply rooted set of values and beliefs that are likely to reinforce such a customer focus consistently (Deshpande et al., 1993). Furthermore, customer orientation is a matter of degree, as no company can ignore customers completely, and complete customer orientation in the view of the customer is probably neither achievable nor economically desirable (Narver & Slater, 1990).

The globalization of the market for banking service and the appearance of new leading parties are both the result of have led to stronger competition and the risk of reducing market shares for each banking institution (Alrubaiee & Al-Nazer, 2010). Therefore, in this competitive and globalized banking era, the customers of each bank make up one of the most important assets that a banking institution should preserve and continuously expand. As customers are of prime importance, it is essential for the banks to satisfy their needs and wants (Mylonakis, 2009).

Most managers these days agree that one of their primary organizational goals is to orientate or focus on customers. According to a study conducted by Ashour (2011) in Jordan, companies that aim to build a greater competitive advantage and performance should give priority to developing a true customer orientation. Since satisfying customer needs is considered a priority according to the perspective of customer orientation. Similarly, Zebal and Goodwin (2012) found that customer oriented companies are companies which believe that customer is the primary target for them and the priority of these companies is satisfying customer's needs. Customer orientation implies continuous in-depth understanding of the needs of customers. Thus, the reference point of a customer oriented bank is to address the needs and desires of its customers.

Supplementary Services/Flower of Service Concept

The banking services are different in its nature from other kinds of service products (Goyal, 2008). It is usually very difficult for banking services to ensure that the same offer is provided with no changes in quality at all times in different places. Since banking services are highly intangible, distinguishing the product from its price is difficult (Goyal, 2004). Therefore, banks need to find a way or another to improve their services to fulfill their obligations. In turn context, flower of service which a concept developed by Lovelock (1996) divided service product as a package to core service and supplementary services. The core service is the basic value provided by the service product and is viewed as the baseline expectations by customers. Thus, customers will not consider doing business with companies unless they offer that level of service. Supplementary services are those services that facilitate and enhance the use of the core service (Lovelock, 1996). Thus, supplementary services being a part of the full service product offered by marketers can be utilized as a beneficial tool to create interest and to develop awareness among customers (Goyal, 2004).

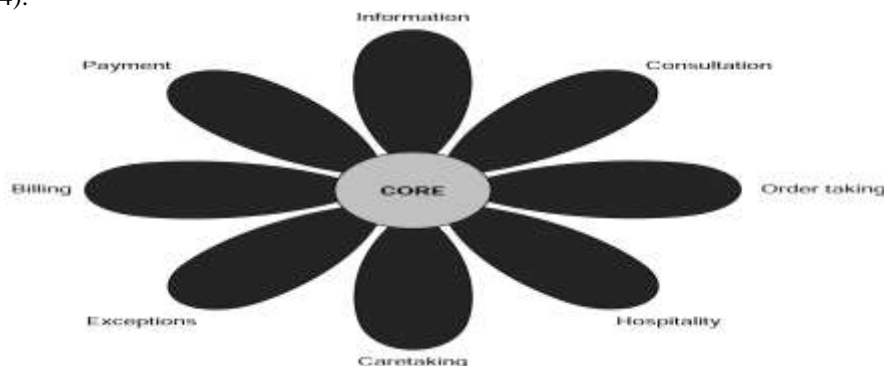


Figure 1: Flower of service concept
Source: Lovelock (1996)

Flower of service is a term used by Lovelock (1996) to capture eight variables of tangible and intangible supplementary services that embellish the core. As illustrated in Figure 1, these eight variables are displayed as petals surrounding the center of a flower (core service). In a well run service company, the petals and core are fresh and attractive. But a badly designed or poorly executed service is like a flower with missing, wilted, or discolored petals. Even if the core is perfect, the overall flower is unattractive (Lovelock, 1996).

Supplementary services may actually drive customer decisions. When two or more companies are competing in the same market for similar basic services, the only thing that distinguishes them is the supplementary services they offer. Customers may look for the company that offers the most supplementary services for the same price, or they may be willing to pay a premium price to get additional supplementary services (Lovelock & Wirtz, 2011). A strategy of adding benefits to increase customer perceptions and differentiating its product will probably require more supplementary services with a high level of performance on all such elements than a strategy of competing on low price (Lovelock, Wirtz, & Keh, 2002). In combination, these supplementary services are synergistic and help differentiate company from competitors and also provide companies with sources of competitive advantage (Major, McLeay, & Waine, 2010).

In fact, to date, this assumption (flower of service concept) has not been empirically tested. There are also no existing studies that focus on the impact of customer orientation and supplementary services simultaneously on competitive advantage and organizational performance, no matter from the theoretical or the empirical perspective. Thus, for the purpose of this study and for filling these gaps, the researcher adapts flower of service concept which originally consists of eight variables of supplementary services based on the hospitality industry. Table 1 compares the original dimensions with the new dimensions used in this study.

Table 1: Adaptation of Lovelock’s (1996) flower of service concept

Lovelock’s (1996) study	This study
Core	Borrowing and Lending
Information	Information
Consultation	Financial Consultation
Order taking	Banking Procedures
Hospitality	Customer Service
Caretaking	Security and Trust
Exceptions	Exceptions
Billing	Bank Statements and Notices
Payment	Banking Transactions
Conceptual model based on the hospitality industry (conceptual study)	Theoretical model to be tested in the banking industry (empirical study)

Competitive Advantage

Competitive advantage is an advantage over competitors that is gained by offering customers greater value, either by means of lower prices or greater benefits and services that justifies a higher price (Porter, 1985). Based on the positioning view theory by Porter (1985), Henderson (2011) in a study conducted in UK pointed that it would be unusual to find a company that competes on all three dimensions, but most would hope to have at least a competitive advantage from one or the other dimensions. Similarly, Prajogo and McDermott (2011) in a study of the service industry in Australian noted that companies cannot pursue all the bases of competitive advantage because of scarcity of resources. Therefore, based on the positioning view theory companies should choose one of the three competitive positions in the market place if they want to achieve and maintain competitive advantage (see Figure 2).



Figure 2: Positioning view theory
Source: Porter (1985)

A successful differentiation creates lines of defense against competitive forces. Porter (1985) has identified five competitive forces namely; competitors, buyers, suppliers, potential entrants, substitutes. It is interesting to note that, more complex customer needs may reduce the value of a particular resource in gaining and maintaining competitive advantage for companies. This could create a need to redefine the way in which companies compete. As a result, companies should use differentiation strategy to create resources that are difficult to imitate and less sensitive to the complexity of the needs of a customer (Barney, 2001).

Akdag and Zineldin (2011) in a study conducted in the banking industry in Turkey found that price competitiveness (low cost strategy) is the least important factor for customers when they evaluate their business relationship with banks. Chenet, Dagger, and O'Sullivan (2010) in a study of a large European financial services firm discovered that differentiation is important because the distinctiveness of a company is linked to customer-perceived value, competitive advantage, and a target market focus. Al-alak and Tarabieh (2011) conducted a study in the 16 Jordanian banks and stated that differentiation as a primary dimension to gain competitive advantage. Thus, for the purpose of this study, the researcher focuses on differentiation to achieve competitive advantage in Jordanian banking industry.

Organizational Performance

There are multiple distinctions in the measurements of organizational performance. Gonzalez-Benito and Gonzalez-Benito (2005) offer a primary distinction between measures of effectiveness and efficiency. Effectiveness refers to the consolidation of a strong market position that includes customer satisfaction, image, reputation, sales, market share, and new product success. Efficiency refers to optimal resource allocation that includes benefits, profitability, and return on assets. Venkatraman and Ramanujam (1986) operationalize a dimension of financial versus non-financial performance, whereby financial measures are those related to economic performance such as profitability, sales growth, and earnings per share, while non-financial measures are leading indicators of economic performance, for example product quality, customer satisfaction, market share, and customer loyalty.

Organizational performance components are market performance and financial performance which can be measured in customer satisfaction, number of complaints, sales and market share for market performance

and return on investment and net profit for financial performance (Prajogo & McDermott, 2011; Ramayah, Samat, & Lo, 2011; Tsiotsou & Vlachopoulou, 2011). Further dimensions in performance measurement are based on the sources of performance data; from primary data collected directly from company to secondary data collected from external sources and databases.

In sum, organizational performance is a multi-dimensional construct ranging from financial performance or market performance at its narrowest to organizational performance at its broadest. Organizational performance should be measured subjectively whenever possible to examine the influence that customer orientation and supplementary services have over it. Although a positive association between customer orientation or competitive advantage and organizational performance is relatively well established in the literature, the scope of literature on customer orientation and competitive advantage has mainly focused on the financial aspects of organizational performance (Zhou, Brown, & Dev, 2009). Thus, for the purpose of this study the researcher operationalize organizational performance as a unidimensional construct that includes both market and financial performance measures as suggested by Ramayah et al. (2011).

Problem Statement

Since there is a lack of information about the Jordanian banking sector in regards the synergistic impact of customer orientation and supplementary services in gaining competitive advantage and organizational performance, this pilot survey was conducted to detect weaknesses in survey instrument design and determine the factors that contribute for the measurement of different variables. In sum, this study focused on determining the appropriate instrument to be done for the Jordanian banking industry.

Methodology

Measures and Instrumentation

Customer orientation will be measured by ten items measure adapted from Narver and Slater (1990), Ramayah et al. (2011), and Zhou et al. (2009). To measure competitive advantage the researcher adapted the ten items which are related to differentiation based on Li and Zhou (2010) and Zhou et al. (2009), which were developed based on Porter (1985). The researcher adapted Hinson, Owusu-Frimpong, and Dasah (2011) scale to measure customer service and also adapted the measure of Security and trust with ten items from Alrubaiee and Al-Nazer (2010) and Siddique, Karim, and Rahman (2012). The researcher developed new measures to test the rest of the elements of supplementary services: information, financial consultation, banking procedures, exceptions, bank statements and notices, and banking transactions. Finally, to measure the organizational performance, the researcher considers organizational performance as a unidimensional construct that includes the measures of both market performance and financial performance. The researcher also used ten statements to measure organizational performance that are adapted from Prajogo and McDermott (2011), Ramayah et al. (2011), and Tsiotsou and Vlachopoulou (2011). Subjective measures were used due to the fact that most firms are reluctant to give out objective information (Siguaw, Brown, & Widing, 1994). Although, the researcher tried to obtain data on objective performance measures, unfortunately obtained information were not complete due to missing values which forced the researcher to focus on subjective measures.

All the items are close-ended questions. In previous research studies, the researchers like Li and Zhou (2010) and Zhou et al. (2009) used seven-point Likert scale. However, in this study the researcher adopted five-point Likert scale as the standard measurement (see Table 3.1). Using the same scale for all questions facilitates the completion of the questionnaire by the respondents and the interpretation of the results by the researcher (Hair, Black, Babin, & Anderson, 2010). Moreover, Sekaran and Bougie (2010) pointed that five-point scale is just as good as any, and that an increase from five to seven or nine points on a rating scale does not improve the reliability of the ratings.

Table 1: Description of Likert scale

Description
1: Strongly Disagree
2: Disagree
3: Neutral
4: Agree
5: Strongly Agree

For this purpose, a questionnaire including five sections has been prepared. The first section concerns collection of personal information, while the second section was designed to collect information about customer orientation, third section for supplementary services, fourth section for competitive advantage and fifth section for organizational performance.

Data Collection Process

In this pilot survey, the researcher conducted survey through personal visits to 50 branch managers in Amman, capital of Jordan. The city of Amman was selected because it is the largest metropolitan city as well as the business and commercial center in Jordan. The branches were selected randomly, branches were recorded and entered to Statistical Package for Social Sciences to select random sample composed of 50 branches. The selected sample was excluded from the original survey sample. Branch managers were requested to answer the questionnaires. Salient issues related to the survey were explained by researcher in person as well as providing pilot survey sample with contact mean in case of further inquiries (if any).

The duration of pilot survey was three weeks i.e. from 08 April 2014 to 29 April 2014. Basic statistical analysis was made of this pilot survey using SPSS 22. Next sections present the finding of the usable data collected in the pilot survey (50 responses).

Finding

Reliability

Reliability is the scale to which a test consistently measures the elements. It is important to make sure that the instrument that was developed to measure the particular concept is indeed accurately measuring the variable (Sekaran & Bougie, 2010). Therefore, internal consistency reliability test was carried out using Cronbach’s alpha for the pilot survey.

The lower range of acceptability for Cronbach’s alpha ranged from (0.6 - 0.7). Any reported value that integrates within this or higher indicates acceptable consistency. The classification of ranges for Cronbach’s alpha is shown in the following table (Hair et al., 2010).

Table 2: Limits of reliability analysis

Alpha Cronbach’s Range	Strength of Association
<0.06	Poor
0.6 - <0.7	Moderate
0.7 - <0.8	Good
0.8 - <0.9	Very good
> = 0.9	Excellent

Sources: Hair et al. (2010)

Final values of Cronbach’s alpha for the pilot survey are presented in Table 3. The values for the sample study range from 0.70 to 0.96 which describe the reliability of the attribute as somewhere between good

and excellent. In this study no items were excluded and reanalysed again. Thus, the internal consistency reliability of the measures used in this study can be considered to be acceptable.

Table 3: Cronbach's alpha coefficient

Variable	Number of Items	Scale	Cronbach's alpha
Customer Orientation	10	1-5	0.95
Information	10	1-5	0.93
Financial Consultation	10	1-5	0.96
Banking Procedures	10	1-5	0.95
Customer Service	10	1-5	0.95
Security and Trust	10	1-5	0.70
Exceptions	10	1-5	0.93
Bank Statements and notices	10	1-5	0.93
Banking Transactions	10	1-5	0.96
Competitive Advantage	10	1-5	0.96
Organizational Performance	10	1-5	0.95

Normal Distribution

The normality assessment is the benchmark for statistical methods. Normal distribution looks like a bell shape where data is spread in symmetrical distribution. It's vital that the data set falls in the normality range so that it will not affect the estimation process and the analysis of results in SEM analysis (Hair et al., 2010).

The normality can also be examined by two multivariate indexes and there are skewness and kurtosis besides using the bell shape of distribution. The symmetry of distribution reveals the skewness and the kurtosis denotes the significance of the tails in a distribution. Hair et al. (2010) reported that the acceptable range for skewness is -1 to 1, while the acceptable range for kurtosis is -1.5 to 1.5 to be considered good data for normality distribution. Thus, the data normality for individual measured items was checked by determining the skewness and kurtosis statistics in this study as follows:

Normal Distribution for Customer Orientation

Normal distribution for customer orientation is shown in Table 4. The skewness was found less than 1 and kurtosis statistics were found less than 1.5, which indicated no deviation from data normality. The data is considered normal distribution with no extreme cases for customer orientation in Table 4. Thus, this indicates that all the items can be used in the original research.

Table 4: Normal distribution for customer orientation

	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CO1	50	1.0	5.0	-0.65	0.34	-0.82	0.66
CO2	50	1.0	5.0	-0.81	0.34	-0.16	0.66
CO3	50	1.0	5.0	-0.42	0.34	-1.12	0.66
CO4	50	1.0	5.0	-0.43	0.34	-0.31	0.66
CO5	50	1.0	5.0	-0.60	0.34	-0.76	0.66
CO6	50	1.0	5.0	-0.39	0.34	-1.12	0.66
CO7	50	1.0	5.0	-0.21	0.34	-1.15	0.66
CO8	50	1.0	5.0	-0.41	0.34	-0.85	0.66
CO9	50	1.0	5.0	-0.31	0.34	-1.21	0.66
CO10	50	1.0	5.0	-0.25	0.34	-1.32	0.66

Normal Distribution for the eight Supplementary Services

Normal distributions for the eight supplementary services are shown in Table 5. Different items measure the eight supplementary services are within the normal distribution range except (ST4) from security and trust variable is out of range as the skewness value is -1.2 which is less than the lower acceptable range -1. Also (EX8) from exceptions is out of range as the skewness value is (-1.03). Thus, these two items will be removed from the next test (factor analysis testing) and original research also.

Table 5: Normal distribution for the eight supplementary services

Information	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
IN1	50	1.0	5.0	-0.65	0.34	-0.64	0.66
IN2	50	1.0	5.0	-0.76	0.34	-0.36	0.66
IN3	50	1.0	5.0	-0.43	0.34	-0.78	0.66
IN4	50	1.0	5.0	0.06	0.34	-1.31	0.66
IN5	50	1.0	5.0	-0.68	0.34	-0.70	0.66
IN6	50	1.0	5.0	-0.17	0.34	-1.35	0.66
IN7	50	1.0	5.0	-0.29	0.34	-1.07	0.66
IN8	50	1.0	5.0	-0.45	0.34	-0.85	0.66
IN9	50	1.0	5.0	-0.49	0.34	-0.57	0.66
IN10	50	1.0	5.0	-0.97	0.34	0.37	0.66
Financial Consultation	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FC1	50	1.0	5.0	-0.22	0.34	-1.39	0.66
FC2	50	1.0	5.0	-0.03	0.34	-1.14	0.66
FC3	50	1.0	5.0	-0.38	0.34	-0.99	0.66
FC4	50	1.0	5.0	-0.30	0.34	-0.86	0.66
FC5	50	1.0	5.0	-0.57	0.34	-0.70	0.66
FC6	50	1.0	5.0	-0.46	0.34	-0.91	0.66
FC7	50	1.0	5.0	-0.11	0.34	-1.37	0.66
FC8	50	1.0	5.0	-0.44	0.34	-1.03	0.66
FC9	50	1.0	5.0	-0.11	0.34	-1.21	0.66
FC10	50	1.0	5.0	-0.18	0.34	-1.19	0.66
Banking Procedures	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
BP1	50	1.0	5.0	-0.19	0.34	-1.04	0.66
BP2	50	1.0	5.0	-0.23	0.34	-1.15	0.66
BP3	50	1.0	5.0	-0.27	0.34	-1.10	0.66
BP4	50	1.0	5.0	-0.19	0.34	-0.91	0.66
BP5	50	1.0	5.0	-0.32	0.34	-1.00	0.66
BP6	50	1.0	5.0	-0.64	0.34	-0.55	0.66
BP7	50	1.0	5.0	-0.53	0.34	-0.59	0.66
BP8	50	1.0	5.0	-0.11	0.34	-0.94	0.66
BP9	50	1.0	5.0	-0.14	0.34	-0.97	0.66
BP10	50	1.0	5.0	-0.17	0.34	-0.84	0.66
Customer Service	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CS1	50	1.0	5.0	-0.21	0.34	-0.89	0.66
CS2	50	1.0	5.0	-0.25	0.34	-0.87	0.66
CS3	50	1.0	5.0	-0.37	0.34	-0.85	0.66
CS4	50	1.0	5.0	0.01	0.34	-1.06	0.66
CS5	50	1.0	5.0	-0.55	0.34	-0.53	0.66
CS6	50	1.0	5.0	-0.72	0.34	-0.51	0.66

CS7	50	1.0	5.0	-0.62	0.34	-0.65	0.66
CS8	50	1.0	5.0	-0.42	0.34	-1.05	0.66
CS9	50	1.0	5.0	-0.90	0.34	0.05	0.66
CS10	50	1.0	5.0	-0.69	0.34	-0.26	0.66
Security and Trust	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ST1	50	1.0	5.0	-0.52	0.34	-0.72	0.66
ST2	50	1.0	5.0	-0.08	0.34	-1.26	0.66
ST3	50	1.0	5.0	-0.59	0.34	-0.47	0.66
ST4	50	1.0	5.0	-1.20	0.34	0.54	0.66
ST5	50	1.0	5.0	-0.27	0.34	-1.32	0.66
ST6	50	1.0	5.0	-0.49	0.34	-0.99	0.66
ST7	50	1.0	5.0	-0.95	0.34	-0.07	0.66
ST8	50	1.0	5.0	-0.38	0.34	-0.80	0.66
ST9	50	1.0	5.0	-0.64	0.34	0.20	0.66
ST10	50	1.0	5.0	-0.61	0.34	-0.95	0.66
Exceptions	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
EX1	50	1.0	5.0	-0.49	0.34	-0.99	0.66
EX2	50	1.0	5.0	-0.98	0.34	-0.04	0.66
EX3	50	1.0	5.0	-0.31	0.34	-0.79	0.66
EX4	50	1.0	5.0	-0.60	0.34	0.11	0.66
EX5	50	1.0	5.0	-0.62	0.34	-0.96	0.66
EX6	50	1.0	5.0	-0.57	0.34	-0.92	0.66
EX7	50	1.0	5.0	-0.47	0.34	-0.93	0.66
EX8	50	1.0	5.0	-1.03	0.34	0.68	0.66
EX9	50	1.0	5.0	-0.56	0.34	-0.78	0.66
EX10	50	1.0	5.0	-0.44	0.34	-0.39	0.66
Bank Statements and Notices	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
BS1	50	1.0	5.0	-0.58	0.34	-0.86	0.66
BS2	50	1.0	5.0	-0.58	0.34	-0.55	0.66
BS3	50	1.0	5.0	-0.45	0.34	-0.75	0.66
BS4	50	1.0	5.0	-0.10	0.34	-1.29	0.66
BS5	50	1.0	5.0	-0.75	0.34	-0.36	0.66
BS6	50	1.0	5.0	-0.45	0.34	-1.05	0.66
BS7	50	1.0	5.0	-0.48	0.34	-1.06	0.66
BS8	50	1.0	5.0	-0.76	0.34	-0.36	0.66
BS9	50	1.0	5.0	-0.68	0.34	-0.24	0.66
BS10	50	1.0	5.0	-0.56	0.34	-0.99	0.66
Banking Transactions	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
BT1	50	1.0	5.0	-0.41	0.34	-1.15	0.66
BT2	50	1.0	5.0	-0.13	0.34	-1.11	0.66
BT3	50	1.0	5.0	-0.04	0.34	-1.21	0.66
BT4	50	1.0	5.0	0.19	0.34	-1.22	0.66
BT5	50	1.0	5.0	-0.38	0.34	-1.21	0.66
BT6	50	1.0	5.0	-0.69	0.34	-0.88	0.66
BT7	50	1.0	5.0	-0.32	0.34	-1.25	0.66
BT8	50	1.0	5.0	-0.64	0.34	-0.84	0.66
BT9	50	1.0	5.0	-0.40	0.34	-1.24	0.66
BT10	50	1.0	5.0	-0.61	0.34	-0.76	0.66

Normal Distribution for Competitive Advantage

Normal distribution for competitive advantage is shown in Tables 6. The skewness was found less than 1 and kurtosis statistics were found less than 1.5, which indicated no deviation from data normality. The data is considered normal distribution with no extreme cases for competitive advantage in Table 4.5. Thus, this indicates that all the items can be used in the original research.

Table 6: Normal distribution for competitive advantage

	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CA1	50	1.0	5.0	-0.31	0.34	-1.09	0.66
CA2	50	1.0	5.0	-0.38	0.34	-1.12	0.66
CA3	50	1.0	5.0	-0.45	0.34	-1.22	0.66
CA4	50	1.0	5.0	-0.70	0.34	-0.85	0.66
CA5	50	1.0	5.0	-0.84	0.34	-0.41	0.66
CA6	50	1.0	5.0	-0.66	0.34	-1.11	0.66
CA7	50	1.0	5.0	-0.74	0.34	-0.59	0.66
CA8	50	1.0	5.0	-0.46	0.34	-1.14	0.66
CA9	50	1.0	5.0	-0.51	0.34	-1.25	0.66
CA10	50	1.0	5.0	-0.43	0.34	-1.29	0.66

Normal Distribution for Organizational Performance

Normal distribution for organizational performance is shown in Tables 7. The skewness was found less than 1 and kurtosis statistics were found less than 1.5, which indicated no deviation from data normality. The data is considered normal distribution with no extreme cases for organizational performance in Table 7. Thus, this indicates that all the items can be used in the original research.

Table 7: Normal distribution for organizational performance

	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
OP1	50	1.0	5.0	-0.04	0.34	-1.22	0.66
OP2	50	1.0	5.0	-0.18	0.34	-1.00	0.66
OP3	50	1.0	5.0	-0.31	0.34	-1.09	0.66
OP4	50	1.0	5.0	-0.04	0.34	-1.16	0.66
OP5	50	1.0	5.0	-0.34	0.34	-1.08	0.66
OP6	50	1.0	5.0	-0.57	0.34	-0.83	0.66
OP7	50	1.0	5.0	-0.51	0.34	-0.88	0.66
OP8	50	1.0	5.0	-0.28	0.34	-1.06	0.66
OP9	50	1.0	5.0	-0.66	0.34	-0.69	0.66
OP10	50	1.0	5.0	-0.70	0.34	-0.88	0.66

Factor Analysis

Factor analysis techniques are used to address the problem of analysing the structure of the correlations between a large number of measurement items (also known as variables) by defining a large set of common underlying dimensions, known as factors. Factor analysis takes a large set of variables and summarizes or reduces them using a smaller set of variables or components (factors) (Hair et al., 2010).

The factor analysis was run to determine Kaiser-Meyer-Olkin (KMO) analysis which in its turn, determines the suitability of running factor analysis for the current data. Kaiser (1974) reported that if the KMO value is 0.6 or more indicates the possibility of running factor analysis for data reduction. Concerning factors loading, the items were considered as loaded factors if the loading factor is 0.4 or more.

For the purpose of the study, factors analysis was performed using SPSS version 22 in evaluated each item individually as follows:

Factor Analysis for Customer Orientation

The results of KMO and loading factors are presented in Table 8. The analysis KMO value is 0.91 which is more than 0.6, which revealed the appropriateness of sample data for conducting factor analysis. In addition, the results show that the minimum loading factor was recorded from (CO8) with value 0.56, while the highest value was recorded for (CO6) with loading factor 0.84. Thus, all the listed items will be used in the original survey since the loading factors are more than the acceptable range 0.4.

Table 8: Factor analysis for customer service

Customer Orientation (CO)	CO1	CO2	CO3	CO4	CO5	CO6	CO7	CO8	CO9	CO10	KMO
Loading Factor	0.65	0.64	0.63	0.69	0.63	0.84	0.82	0.56	0.81	0.70	0.91

Factor Analysis for the eight Supplementary Services

The results of KMO and loading factors are presented in Table 9. The analysis KMO value for the eight supplementary services between (0.76 - .90) which is more than 0.6, which revealed the appropriateness of sample data for conducting factor analysis. In addition, the results show that the minimum loading factor was recorded from (IN10) with value 0.52, while the highest value was recorded for (IN2) with loading factor 0.90. Thus, all the listed items will be used in the original survey since the loading factors are more than the acceptable range 0.4.

Table 9: Factor analysis for the eight supplementary services

Information (IN)	IN1	IN2	IN3	IN4	IN5	IN6	IN7	IN8	IN9	IN10	KMO
Loading Factor	0.79	0.90	0.87	0.72	0.67	0.73	0.70	0.67	0.74	0.52	0.78
Financial Consultation (FC)	FC1	FC2	FC3	FC4	FC5	FC6	FC7	FC8	FC9	FC10	KMO
Loading Factor	0.70	0.75	0.72	0.80	0.74	0.86	0.81	0.66	0.85	0.66	0.85
Banking Procedures (BP)	BP1	BP2	BP3	BP4	BP5	BP6	BP7	BP8	BP9	BP10	KMO
Loading Factor	0.68	0.75	0.71	0.77	0.60	0.67	0.74	0.76	0.76	0.66	0.85
Customer Service (CS)	CS1	CS2	CS3	CS4	CS5	CS6	CS7	CS8	CS9	CS10	KMO
Loading Factor	0.75	0.84	0.86	0.81	0.80	0.88	0.86	0.79	0.81	0.72	0.86
Security and Trust (ST)	ST1	ST2	ST3	ST4	ST5	ST6	ST7	ST8	ST9	ST10	KMO
Loading Factor	0.72	0.74	0.58	----	0.79	0.61	0.82	0.76	0.78	0.84	0.76
Exceptions (EX)	EX1	EX2	EX3	EX4	EX5	EX6	EX7	EX8	EX9	EX10	KMO
Loading Factor	0.54	0.80	0.74	0.88	0.81	0.84	0.75	----	0.69	0.58	0.82
Bank Statements and Notices (BS)	BS1	BS2	BS3	BS4	BS5	BS6	BS7	BS8	BS9	BS10	KMO
Loading Factor	0.58	0.69	0.81	0.60	0.60	0.59	0.61	0.53	0.66	0.53	0.83
Banking Transactions (BT)	BT1	BT2	BT3	BT4	BT5	BT6	BT7	BT8	BT9	BT10	KMO
Loading Factor	0.59	0.74	0.70	0.75	0.74	0.79	0.85	0.83	0.85	0.73	0.90

Factor Analysis for Competitive Advantage

The results of KMO and loading factors are presented in Table 10. The analysis KMO value is 0.90 which is more than 0.6, which revealed the appropriateness of sample data for conducting factor analysis. In addition, the results show that the minimum loading factor was recorded from (CA2) with value 0.64, while the highest value was recorded for (CA3) with loading factor 0.83. Thus, all the listed items will be used in the original survey since the loading factors are more than the acceptable range 0.4.

Table 10: Factor analysis for competitive advantage

Competitive Advantages (CA)	CA	CA2	CA3	CA4	CA5	CA6	CA7	CA8	CA9	CA10	KMO
Loading Factor	0.81	0.64	0.83	0.80	0.79	0.77	0.75	0.66	0.76	0.70	0.90

Factor Analysis for Organizational Performance

The results of KMO and loading factors are presented in Table 11. The analysis KMO value is 0.89 which is more than 0.6, which revealed the appropriateness of sample data for conducting factor analysis. In addition, the results show that the minimum loading factor was recorded from (OP4) with value 0.72, while the highest value was recorded for (OP6) and (OP7) with loading factor 0.91. Thus, all the listed items will be used in the original survey since the loading factors are more than the acceptable range 0.4.

Table 11: Factor analysis for organizational performance

Organizational Performance (OP)	OP1	OP2	OP3	OP4	OP5	OP6	OP7	OP8	OP9	OP10	KMO
Loading Factor	0.87	0.83	0.84	0.72	0.74	0.91	0.91	0.85	0.75	0.75	0.89

Conclusion

The results showed that the Cronbach's Alpha value classification ranged somewhere between good and excellent, which was more than 0.69. This instrument has good internal consistency reliability according to the classification of Hair et al. (2010), while the factor analysis indicated eleven factors as follows: customer orientation, information, financial consultation, banking procedures, customer service, security and trust, exceptions, bank statements and notices, banking transactions, competitive advantage and organizational performance. According to the pilot survey, one paragraph was deleted for the exceptions factor (EX8) which will not be included in the original survey. For the security and trust factor the paragraph (ST4) will be excluded from the questionnaire for the original survey. The other paragraphs were approved to measure their factors and will be included in the questionnaire of the original survey. Thus, the questionnaire developed is suitable to be used for the study of customer orientation and supplementary services factors. The instrument is also suitable to be used in the context of banking industry in Jordan.

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