# TABLE OF CONTENTS

## 1 INTRODUCTION

1.1 Introduction ........................................ 1

1.2 General Framework .................................... 2  
1.2.1 Market-Based Capabilities .......................... 3  
1.2.2 Strategic Marketing Capabilities .................. 4  
1.2.3 Marketing Capabilities, Perceived Quality and Business Performance ......... 4

1.3 Methodology ........................................... 4  
1.3.1 Wholesaling ....................................... 5  
1.3.2 The Sample ....................................... 5  

1.4 Outline of the Dissertation .......................... 6  
1.4.1 Market-Based Business Capabilities ............... 6  
1.4.2 Strategic Marketing Capabilities ................. 7  
1.4.3 WholeSaleQual ................................. 8  
1.4.4 Marketing Capabilities, Perceived Quality and Business Performance ........ 8

1.5 Contributions ......................................... 8

## 2 The Effect of Market-Based Business Capabilities on Business Performance: Extension of Theory and an Empirical Investigation

2.1 Introduction ........................................... 10

2.2 Market-Based Business Concept ........................ 12  
2.2.1 Market-Based Classifications in the Literature .................. 12  
2.2.2 Proposed Classification of Market-Based Capabilities ............ 14

2.3 Conceptual Framework .................................. 17

2.4 Method ............................................... 18  
2.4.1 Research Setting and Sample ....................... 18  
2.4.2 Measurement Scales ................................ 18  
2.4.3 Methods of Analysis ............................... 20

2.5 Findings ............................................... 21  
2.5.1 The Factor Model .................................. 21  
2.5.2 The Regression Model .............................. 22

2.6 Discussion ............................................. 24  
2.6.1 The Market-Based Capabilities Construct .................. 24  
2.6.2 Inside-Out Capabilities ............................. 25  
2.6.3 Outside-In Capabilities ............................. 26

2.7 Implications for Marketing ............................ 27  
2.7.1 Implications for Marketing Theory .................. 27  
2.7.2 Implications for Marketing Practice ................. 28

2.8 Limitations and Directions for Further Research ........... 28  
2.8.1 Limitations ....................................... 28  
2.8.2 Research Agenda .................................. 29
## 3 A Detailed Investigation of the Market-Based Capabilities-Firm Performance Link: A Multivariate Partial Least Squares Regression Analysis

3.1 Introduction ................................ 32
3.2 Conceptual Framework ......................... 33
3.3 Methods of Analysis ............................ 35
  3.3.1 Partial Least Squares Regression .......... 36
  3.3.2 Uncertainty Limits ........................ 38
  3.3.3 PLSR and OLS .......................... 39
3.4 Model Variables ................................. 39
  3.4.1 Independent Variables ...................... 39
  3.4.2 Dependent Variables ........................ 40
3.5 Findings .................................. 40
  3.5.1 PLS2 ................................ 40
  3.5.2 Ordinary Least Squares Regression ........... 44
3.6 Discussion .................................. 45
3.7 Conclusions ................................ 47

## 4 The Strategic Marketing Capabilities Construct: An Integration of the Market-Driven and Relationship Marketing Perspectives

4.1 Introduction ................................ 48
4.2 Market Orientation ............................. 50
  4.2.1 Classical Market Orientation ............... 50
  4.2.2 Integrative View of Market Orientation ....... 52
  4.2.3 An Integrated Model: Strategic Marketing Capabilities .... 53
  4.2.4 Competing Models ........................ 55
4.3 Method .................................. 56
  4.3.1 Measurement ................................ 56
4.4 Analytical Methods ............................ 57
  4.4.1 Factor Analysis ........................... 57
  4.4.2 Bayesian Analysis ........................ 58
  4.4.3 Model Choice ............................. 60
4.5 Findings .................................. 62
  4.5.1 Measurement Model Analysis ............... 62
  4.5.2 Model Comparison and Choice .............. 65
4.6 Discussion .................................. 66
  4.6.1 Strategic Marketing Capabilities .......... 67
  4.6.2 Bayesian Confirmatory Factor Analysis ....... 68
  4.6.3 Model Choice ............................. 68
4.7 Limitations ................................ 69
4.8 Future Research Directions ...................... 69
4.9 Conclusions ................................ 70
The Effect of Strategic Marketing Capabilities on Firm Performance: A Bayesian Linear and Nonlinear Latent Variable Analysis

5.1 Introduction .................................................. 71
5.2 Conceptual Framework and Hypothesis ......................... 72
  5.2.1 Strategic Marketing Capabilities and Financial Performance: The Case of a Linear Relationship .................. 73
  5.2.2 Strategic Marketing Capabilities and Firm Performance: The Case of a Nonlinear Relationship ................. 74
5.3 Method .......................................................... 75
  5.3.1 Samples and Measurement .................................. 75
  5.3.2 Structural Equation Modeling .............................. 75
  5.3.3 Bayesian Analysis ......................................... 78
  5.3.4 Model Choice ............................................... 80
  5.3.5 The Models ................................................. 80
5.4 Results ........................................................... 81
  5.4.1 Confirmatory Factor Analysis .............................. 81
  5.4.2 The Linear Latent Variable Analysis Outcomes ............ 81
  5.4.3 The Nonlinear Latent Variable Analysis Outcomes ........ 84
  5.4.4 Model Comparison .......................................... 85
5.5 Discussion ...................................................... 86
5.6 Management Implications ...................................... 87
5.7 Conclusion ...................................................... 88

Development and Assessment of the WholeSaleQual Construct

6.1 Introduction ...................................................... 89
6.2 WholeSaleQual Construct (Study 1) .......................... 91
  6.2.1 Introduction ............................................... 91
  6.2.2 WholeSaleQual ............................................. 91
6.3 Method ........................................................... 92
  6.3.1 Service Quality ............................................. 92
  6.3.2 Product Quality ........................................... 92
  6.3.3 Logistics Service Quality .................................. 93
  6.3.4 Information Quality ....................................... 93
  6.3.5 Sample ....................................................... 94
6.4 Results Study 1 ................................................. 94
  6.4.1 Operational Factor Structure .............................. 94
  6.4.2 Second-order Factor Model ................................ 95
6.5 WholeSaleQual and Performance (Study 2) ..................... 95
  6.5.1 Partial Least Squares Regression .......................... 96
6.6 Results ........................................................... 98
  6.6.1 Model Outcomes .............................................. 98
  6.6.2 The Prediction Results ..................................... 99
  6.6.3 PLSR vs. Ordinary Least Squares Regression ............. 99
6.7 Contributions .................................................. 100
6.8 Limitations .................................................... 103
7 Strategic Marketing Capabilities and Perceived Quality: A Dyadic Approach

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Introduction</td>
<td>104</td>
</tr>
<tr>
<td>7.2 Conceptual Framework and Hypotheses</td>
<td>105</td>
</tr>
<tr>
<td>7.2.1 Customer-Driven Capabilities and Quality</td>
<td>107</td>
</tr>
<tr>
<td>7.2.2 Competitor-Driven Capabilities and Quality</td>
<td>108</td>
</tr>
<tr>
<td>7.2.3 Supplier-Driven Capabilities and Quality</td>
<td>108</td>
</tr>
<tr>
<td>7.2.4 Technology Monitoring Capabilities and Quality</td>
<td>109</td>
</tr>
<tr>
<td>7.2.5 Customer-Relating Capabilities and Quality</td>
<td>109</td>
</tr>
<tr>
<td>7.2.6 Supplier-Relating Capabilities and Quality</td>
<td>110</td>
</tr>
<tr>
<td>7.3 Method</td>
<td>110</td>
</tr>
<tr>
<td>7.3.1 Samples</td>
<td>110</td>
</tr>
<tr>
<td>7.3.2 Measurement</td>
<td>110</td>
</tr>
<tr>
<td>7.4 Results</td>
<td>111</td>
</tr>
<tr>
<td>7.4.1 Strategic Marketing Capabilities and Overall Quality</td>
<td>112</td>
</tr>
<tr>
<td>7.4.2 Strategic Marketing Capabilities and Operational Quality</td>
<td>112</td>
</tr>
<tr>
<td>7.4.3 Strategic Marketing Capabilities and Relationship Quality</td>
<td>113</td>
</tr>
<tr>
<td>7.5 Discussion</td>
<td>114</td>
</tr>
<tr>
<td>7.6 Management Implications</td>
<td>116</td>
</tr>
<tr>
<td>7.7 Conclusion</td>
<td>116</td>
</tr>
</tbody>
</table>

8 Revisiting the Service-Profit Chain Framework: Extension of Theory and an Empirical Assessment

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 Introduction</td>
<td>117</td>
</tr>
<tr>
<td>8.2 Background</td>
<td>119</td>
</tr>
<tr>
<td>8.3 Conceptual Framework</td>
<td>120</td>
</tr>
<tr>
<td>8.3.1 Organizational Service Capabilities</td>
<td>121</td>
</tr>
<tr>
<td>8.3.2 Employee Service Capabilities</td>
<td>121</td>
</tr>
<tr>
<td>8.3.3 Service Relationship Management</td>
<td>122</td>
</tr>
<tr>
<td>8.4 Hypotheses</td>
<td>123</td>
</tr>
<tr>
<td>8.4.1 Direct Effects</td>
<td>123</td>
</tr>
<tr>
<td>8.4.2 Indirect Effects</td>
<td>125</td>
</tr>
<tr>
<td>8.4.3 Database &amp; Measurement</td>
<td>126</td>
</tr>
<tr>
<td>8.4.4 Methods of Analysis</td>
<td>126</td>
</tr>
<tr>
<td>8.5 Findings</td>
<td>129</td>
</tr>
<tr>
<td>8.6 Discussion</td>
<td>132</td>
</tr>
<tr>
<td>8.7 Limitations and Further Research</td>
<td>134</td>
</tr>
<tr>
<td>8.8 Conclusions</td>
<td>135</td>
</tr>
</tbody>
</table>

Bibliography 151