The Relationship between Proactive and Responsive Market Orientation, Seven Marketing Activities Lever (7As), and Expectation of Service: An Empirical Evidence from 3-5-star Hotels Business in Thailand

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Abstract

The research investigated the relationship between proactive market orientation (PMO), responsive market orientation (RMO) and seven marketing activities levers (7As). The study focus on hotel business in Thailand. The informants are marketing executive from hotel business of Thailand. The sample size totals 255 hotel businesses in Thailand (128, 3-star hotels and 127, 4-5-star hotels). Structural equation model tested hypotheses. The findings reveal that relationships between PMO and RMO have substantial positive impact on 7As. However, 4-5-star hotels, the findings indicate that RMO and anticipation activities not have significant relationship. In conclusion, RMO, PMO, and 7As play as an essential in creating marketing strategy process in the hotel business. Therefore, the hotel manager should choose appropriate PMO, RMO, and 7As for the hotel. Furthermore, researchers should consider reexamining other industries to compare the findings and gains for greater generalizability in the future. Limitation and suggestion for future research are also highlighted.

Keywords: Proactive Market Orientations, Responsive Market Orientation
Seven Marketing Activities Levers (7As), Expectation of Service

Introduction

The Service sector, marketing approach is very complex and challenging since it has been done in a way that attracts customers to the service and convinces them to select it over other competitors in the market. The business develops comprehensive and yet dynamic

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marketing capability and marketing strategies that ensure their services are highly regarded by customers resulting in their competitiveness (Enz, 2008). Moreover, marketing concepts stated that the critical goal of achievement of a business firm was to be more effective and efficient than its competitors in response the needs and satisfying of the target groups (Kohli & Jaworski, 1990; Kotler & Armstrong, 2010; Narver, Slater, & MacLachlan, 2004). Kohli & Jaworski (1990) suggested that the once important marketing concept is market orientation. Market orientation is the set of capability for creating and offering values to the customer can create into two ways: **proactive market orientation (PMO) and responsive market orientation (RMO)**. Haryanto, Haryono, Sri, & Sawitri (2017) provided evidence that both market orientation and marketing strategy affect marketing performance significantly and consistently. It means that both market orientations are an essential capability but still unclear for a company in improving its service in the service industry. In addition, a firm possesses the necessary development strategy practices, activities, and resources that are appropriate to continue changes in competitive situations to adequately, achieve effective firm performance. Organizing the use marketing activities in ways that successfully is recognized of the most difficult challenges facing a manager who know little about how appropriate marketing activities should be organized to enable marketing strategy process (Vorhies & Morgan, 2003).

This study attempts to investigate how the service industry generate competitive advantage in marketing strategy process for through the use of PMO, RMO, and **seven marketing activities levers (7As)**. Moorman & Day (2016) suggested that marketing capabilities, organization structure, culture, and the human capital of marketing leadership and talent are driven through 7As that occur during the marketing strategy process. The 7As consist of anticipation activities, adaptation activities, activation activities, alignment activities, accountability activities, attraction activities, and asset management. The 7As carry out their important roles within the marketing strategy course, which starts with designing strategic decisions concerning where to do and how to achieve it, then executing strategic choices and evaluating results. By upholding this process which is a resourcing cycle where resources and marketing are developed, deployed, and acquired in the method. The 7As are in this well-known marketing policy process, but they also accentuate marketing activities because they are understandable, businessmen should perform value-adding activities in the marketing strategy method. Therefore, it is possible that PMO and RMO which is marketing capability may have a relationship with 7As in marketing strategy process, because Moorman and Day (2016) confirmed that marketing capability is driven through 7As that occur during the marketing strategy process can generate to the performance payoffs from marketing organization.

Notably, the hotel business, have competition based on offering value in the service and it is necessary to assess the various marketing activities of the marketing strategy process. The hotel business in Thailand is considered an appropriate sample for examining the relationships between PMO, RMO, and 7As. Thailand has a well-developed hotel industry, and steady growth rates in the tourism industry have resulted in significant investments in the country's hotel industry (Board of Investment of Thailand, 2016). The hotel needs to improve or change marketing capability, marketing activities in the marketing strategy process continuously to survive and succeed in highly competitive conditions and with high growth rates. In addition, the expectations of service of the consumer in the hotel as the difference between a customer's initial expectation and receiving actual service is divided to two types consisting of high expectation (4-5-star hotel) and medium expectation (3-star hotel). Thus, this research proposes that 3 and 4-5-star hotels have a moderate effect in the relationships between PMO, RMO and 7As in the hotel industry from a manager perspective for response to consumer need.

This study also attempts to integrate several theories to propose theoretical linking to the conceptual framework, including the resource-based view (Wernerfelt, 1984; Barney, 1991), marketing capability (Black & Boal, 1994), knowledge-based view (Hult, 2011). The result of this research possibly enhances the marketing strategy process by developing a focus on PMO, RMO and emphasizing the importance of 7As. The population and sample chosen are the hotel businesses in the official website of Tourism Authority of Thailand totaling 1,334 firms. Furthermore, Furthermore, the results of this study encourage to managerial practices focusing on managerial practices focusing on PMO, RMO and the usefulness of 7As that stimulate and enhance the marketing strategy process to the competitive advantage of the hotel businesses in Thailand.

Research Objective

1. To investigate the relationships between PMO, RMO, and 7As in the hotel business.
2. To investigate the moderator effect of expectations of service among PMO, RMO, and 7As in the hotel business.

Literature Review

Market orientation refers to the well-known organization of market information, distribution of the data across sections, and organization-wide receptiveness to it (Kohli & Jaworski, 1990). Wang, Chen, & Chen (2012) recommended that market orientation positively influences hotel performance when outside environmental factors in more important shifts that are going to help to build a connection with a customer, to improve hotel performance, and to

achieve the hotel's survival chance. Hence, hotels need market orientation performs to make better performance and more competitive benefit in the current unstable marketplace. However, PMO, RMO behaviors are significant abilities in a market orientation that they use procedures and produce information that includes complex relations among departments and individuals within the organization (Jaworski & Kohli, 1993).

Proactive market orientation (PMO) refers to a business that attempts to discover, understand, and satisfy the latent needs of customers; and the firms' leading their customers to uncover new, unconscious needs and then developing future products to meet these unexpressed needs (Lamore, Berkowitz, & Farrington, 2013). Furthermore, PMO which requires the creation of new products, new product design and developing new products, it differs from those of a competitor's to achieve superior competition.

Responsive market orientation (RMO) refers to discovering, understanding, and satisfying expressed customer needs, and can be the adaptation of the organization to the expressed needs of customers ((Narver, Slater, & MacLachlan, 2004); Oswald, Brettel, & Engelen, 2012). Short-term RMO can be easily focused and successful in rather stable and predictable surroundings (Bodlaj, Coenders, & Zabkar, 2012). Inactive surroundings, RMO hardly makes competitive benefit because it doesn't offer adequate encouragement for adaptive learning or important innovations (Slater & Narver, 1998). RMO emphases mostly on its present experience and knowledge to fulfill the customers' need, thus reflecting application (Atuahene-Gima et al., 2005).

The empirical study displays that PMO and RMO can fully capture competitive strategies benefits and act as central devices for conveying the competitive benefits which approach to performance: however, there is little empirical research using the PMO, RMO in the field in marketing activities of the marketing strategy process. Thus, conceptual Framework of PMO, RMO, and 7As which are shown in Figure 1 as below.

Figure 1: Conceptual Model of the Relationship between PMO, RMO, 7As and Expectation of Service
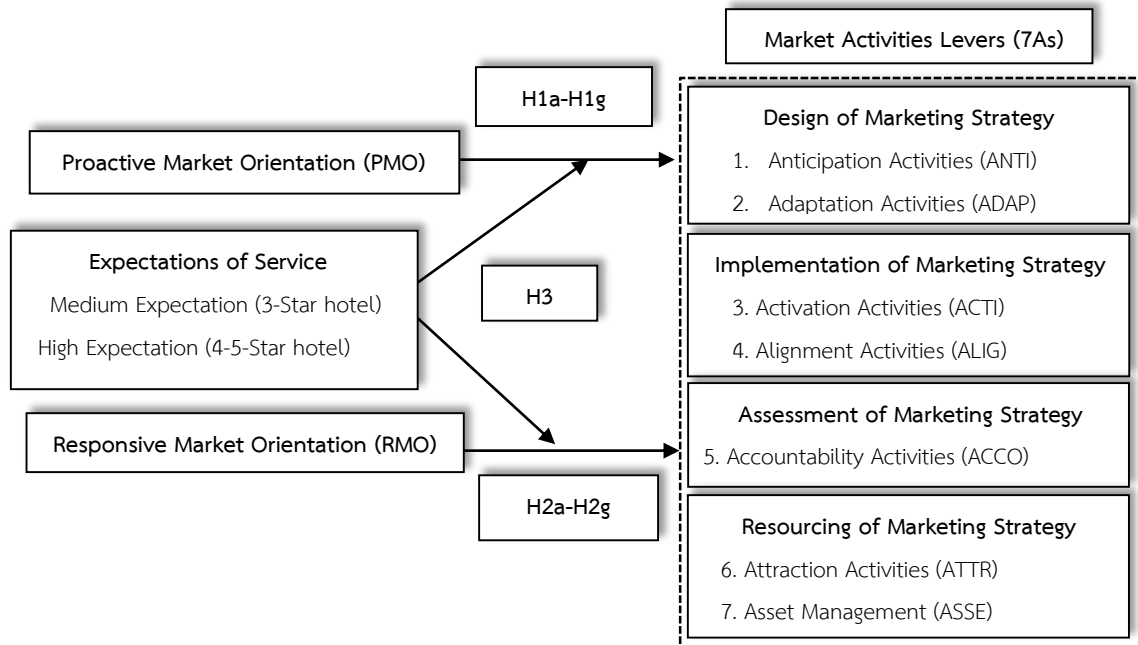
Anticipate Activities (ANTI)

Anticipation activities refer to the firm's ability to provide expected service, or predict customer value to meet the customer's needs to prepare for future competition (Ballantyne & Varey, 2008). In addition, market orientation improves customer anticipation because the organizations are well located to antedate the customer needs and to provide services and goods to please their needs (Slater & Narver, 1998). Many researchers identified that market orientation relates to anticipation activities (e.g., Deshpande, Farley, & Webster, 1993; Brady & Cronin, 2001). However, PMO, RMO of the hotel might have the same phenomenon as market orientation. So, creating a better market strategy, the hotels require effective PMO, RMO which contribute to anticipation activities of the hotel business. PMO increases insightful data including user's existing need and future's need also. Meanwhile, the firm with RMO uses customer satisfaction data and then disseminated all data throughout all levels in their business unit. PMO, RMO, relates with anticipated activities because of both foci on finding information base on expectation or predict customer's value that meet the consumer needs. Therefore, PMO, RMO might influence on the varying degree of anticipation activities. Hence, the hypotheses are proposed as follows:

Hypothesis 1a: Proactive market orientation has a positive influence on anticipation activities in the design of the marketing strategy.

Hypothesis 2a: Responsive market orientation has a positive influence on anticipation activities in the design of the marketing strategy.

Adaptation Activities (ADAP)

According to, adaptation activities refer to the firm's ability to continuously adapt itself in precise conducts in which the company makes changes as it pursues to capitalize and survive on the outside situations (Schindehutte & Morris (2001). According to Grewal & Tansuhaj (2001), addressed the part of market orientation and adaptation of strategic in assisting firms to accomplish its performance. It appears that strategic adaptation and market orientation balance each other in their effectiveness to help companies manage the changing environmental conditions. Many researchers identified that market orientation relates to adaptation activities (e.g., Tellis, Prabhu, & Chandy, 2009; Grewal & Tansuhaj, 2001). However, PMO, RMO of the hotel might have the same phenomenon as market orientation. PMO is the firm strategy aims to search for a new area of customer need, and then firm adapts their strategy according to their new customer's needs. Meanwhile, RMO strategy aims to primarily response existing customer's satisfaction and emphasize to monitor the commitment level of the existing customer. Both market orientations require adapting their service quickly responding to the changing of customer's need. Thus, PMO, RMO might influence to the varying degree of adaptation activities. Hence, the hypotheses are proposed as follows:

Hypothesis 1b: Proactive market orientation has a positive influence on adaptation activities in the design of marketing strategy.

Hypothesis 2b: Responsive market orientation has a positive influence on adaptation activities in the design of marketing strategy.

Activation Activities (ACTI)

Activation activities refer to the firm's ability to be identified with employee action actively. Their responsibilities are very often connecting to the implementation of negotiating conditions, and the motivation employees to work together (Homburg & Pflesser , 2000). Also, the firm can create a market orientation that requires dramatic changes of the employee's motivation, an organization's culture, and the creation of organizationally-shared market understandings (Gebhardt et al., 2006). Many researchers identified that market orientation relates to activation activities (e.g., Homburg & Pflesser 2000; Gebhardt et al., 2006). However, the PMO, RMO of the hotel might have the same phenomenon as market orientation. PMO is employee's behavior on brainstorm activities to understand customer's behavior about their firm's service. An employee works closely with leading users to recognize their customer need. Meanwhile, RMO is

an employee activities on communicates information about the successful freely or fail practices base on their customer experiences across all business. Thus, PMO, RMO might influence on the varying degree of activation activities. Hence, the hypotheses are proposed as follows:

Hypothesis 1c: Proactive market orientation has a positive influence on activation activities in the implementation of the marketing strategy.

Hypothesis 2c: Responsive market orientation has a positive influence on activation activities in the implementation of the marketing strategy.

Alignment Activities (ALIG)

Alignment activities refer to the 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 is accountable for a responsible market (Moorman & Rust,1999). Bahadori, Yaghoubi, Javadi, & Rahimi (2015) indicated that market orientation has an important association with organizational structure and can guide managers' understanding to analyze and recognize the factors to success and achievement in their objectives. Market orientations have a relationship with alignment activities in the implementation of marketing strategy (e.g., Homburg & Pflesser, 2000; Gebhardt et al., 2006; Bahadori et al., 2015). However, a PMO, RMO of the hotel might have the same phenomenon as market orientation. PMO focus on marketing organization. The firm must organize new marketing's practices about how they work closely with leading users to recognize customer need. Meanwhile, RMO is relying on regular activities about using customer database on customer satisfaction and then disseminate all customer data toward the existing structure of a business unit. Thus, PMO, RMO might influence on the varying degree of alignment activities. Hence, the hypotheses are proposed as follows:

Hypothesis 1d: Proactive market orientation has a positive influence on alignment activities in the implementation of the marketing strategy.

Hypothesis 2d: Responsive market orientation has a positive influence on alignment activities in the implementation of the marketing strategy.

Accountability Activities (ACCO)

Accountability activities refers to the firm's ability to use indicators to link to a firm's marketing actions from investments in marketing activities, and to take responsibility for the profit or loss that is financially relevant to outcomes and growth over time (Verhoef & Leeflang, 2009; Blair, Barns, Sirkin, & Stewart, 2016). In addition, Moorman & Rust (1999) indicate that there is a positive relationship between the market orientation and accountability in marketing department influence within the firm to the consumer. Many researchers identified that market orientation

relates to accountability activities (e.g., Gupta, Lehmann, & Stuart, 2004; O'Sullivan & Abela, 2007). However, PMO, RMO of the hotel might have the same phenomenon as market orientation. PMO is the firm extra additionally assessment about marketing activities, and leading users need to create an extraordinary need of consumers and financial outcomes. Meanwhile, a RMO is a routine assessment of consumer satisfaction regularly. Thus, PMO, RMO might influence to the varying degree of accountability activities. Hence, the hypotheses are proposed as follows:

Hypothesis 1e: Proactive market orientation has a positive influence on accountability activities in the assessment of the marketing strategy.

Hypothesis 2e: Responsive market orientation has a positive influence on accountability activities in the assessment of the marketing strategy.

Attractive Activities (ATTR)

Attraction activities refer to the firm's ability in activities, procedures for making, interacting, distributing, and replacing contributions that have value for clients, customers, and society, and partners at large (Johnson, Sohi, & Grewal, 2004). Cordon, Vollmann, & Hald (2005) identified and developed three significant components of attraction activities: First, the perception of expected value gained from the dyadic relationship, second, the influence of comfort on the effectiveness of the relationship. Third, dyad partners have a perception of dependence perception. In addition, Srihadi, Hartoyo, Sukandar, & Soehadi (2015) indicates that market orientation positively affects the supplier and partnership. Many researchers identified that market orientation relates to attraction activities (Srihadi, Hartoyo, and Soehadi, 2015; Srivastava et al., 1998). However, the PMO, RMO of the hotel might have the same phenomenon. PMO focuses on making cooperation with all partners to engage in proactive marketing with external customers and partnerships. Meanwhile, RMO focuses on collaboration with some required partner in responding to necessary marketing with the customer need. Thus, PMO, RMO might influence to the varying degree of attraction activities. Hence, the hypotheses are proposed as follows:

Hypothesis 1f: Proactive market orientation has a positive influence on attractive activities in the resourcing of the marketing strategy.

Hypothesis 2f: Responsive market orientation has a positive influence on attractive activities in the resourcing of the marketing strategy.

Asset Management (ASSE)

Asset management refers to the firm's ability to use marketing resources which are human resource, financial, knowledge, brand, customer needs, asset, and related capabilities into value offerings for target market and the extent a firm possesses knowledge and resource related to market activities (Ramaswami, Srivastava, & Bhargava 2009; Moorman & Day, 2016). Market orientation and asset management which advocates systematic acquisition, dissemination, and use of information to guide strategy development and implementation (Kohli & Jaworski, 1990). Many researchers identified that market orientation relates to asset management (e.g., Kirca et al., 2005; Morgan et al., 2009). PMO, RMO of the hotel might have the same phenomenon as market orientation. PMO focuses on the availability of required resources in all aspects to meet the extraordinary needs of customers by creating innovation services to avoid the risk of service obsolete. Meanwhile, RMO focuses on certain types of resources to meet the apparent needs of customers. Thus, PMO, RMO might influence to the varying degree of asset management. Hence, the hypotheses are proposed as follows:

Hypothesis 1g: Proactive market orientation has a positive influence on asset management in the resourcing of marketing strategy.

Hypothesis 2g: Responsive market orientation has a positive influence on asset management in the resourcing of marketing strategy.

In addition, López & Bedia (2004) observed that whether a hotel evaluation system was a decent indicator of its service quality and discovered that, according to the perceptions and expectations values of their differences, the position of the consumer expectation similarity exactly followed the ranking of stars. Pine & Phillips (2005) described that evidence from research in the context of the classification of the stars of the hotel. It has found that hotel businesses with the highest stars have high expectations for performance (Chand & Katou, 2007). The expectations of service as the difference between a customer's initial expectations and observed actual performance. This study purpose that differentiation of expectations of service focus on medium and high expectations of service which forms the manager's perspective have a tendency difference effects between PMO, RMO, and 7As. Hence, the hypotheses are proposed as follows:

Hypothesis 3: The higher expectations of service, the stronger the relationships between Proactive and Responsive market orientation and marketing activities levers (7As).

Methodology

Sample selection and Data Collection Procedure

This research has collected the data instrument by using questionnaires. The result of try-out in 30 first respondents show that Cronbach' alpha more than 0.60 are acceptable using items to collect the data (Nunnally & Bernstein, 1994). Of the surveys completed and received, only 255 were usable. The effective response rate in each star hotel was approximately 19.52%, 128, 3-star hotels and 127, 4-5-star hotels. According to, the rule of thumb Anderson & Gerbing (1988). Analyzing in this study N= 100-150 per groups is sufficient.

The measurement procedures involve the multiple items development for measuring each construct in the literature review (Churchill, 1979).Non-response bias obtains assessed to ensure that it is not a severe problem in this research. In addition, the result of item-objective congruence (IOC) more than 0.50 is acceptable (Turner & Carlson, 2003).

Variable Measurement

This research, the nine constructs were developed bearing in mind the definition of each construct, and the relationship between the theoretical framework and previous research findings. Furthermore, a Likert five-point interval scale, have the range from 1 = strongly disagree, to 5 = strongly agree, is used in this study. In each query, respondents are requested to show their agreement level with a given declaration by an ordinal scale (Likert, 1961). Particularly, 7As, RMO, and PMO can be the measured performances due to the hesitancy of the hotel manager to give information about their hotel performance (Sun & Lu, 2005) that are described as follows.

Dependent Variable

The measure these variables, the key informants were asked for their perceptions of following relevant 7As that were strictly built as a service performance. This construct is adapted from an existing scale following the suggestion of Moorman & Day (2016) which study implications including seven activities. **Anticipation activities**, develop a five-scale measure which is adapted from Schatzel & Calantone (2006) and Tellis, Prabhu, & Chandy (2009). **Adaptation activities**, develop a five-scale measure which is adapted from Homburg, Workman, & Jensen (2002). **Activation activities**, develop a five-scale measure which is adapted from Homburg and Pflesser (2000). **Alignment activities**, develop a five-scale measure which is adapted from Moorman & Rust (1999) and Wieseke, Ahearne, Lam, & Dick (2009). **Accountability activities**, develop a five-scale measure which is adapted from Moorman & Rust (1999) and Verhoef & Leeflang (2009). **Attraction activities**, develop a five-scale measure which is adapted from Johnson et al., (2004). **Asset management** develops a five-scale measure which is adapted from Ramaswami et al., (2009).

Independent Variable

The measure these variables, the key informants were asked for their perceptions of following relevant PMO and RMO that were relationship in marketing activities. This construct is adapted from an existing scale of which study implications. **Proactive market orientation**, develops eight items from Narver et al., (2004). **Responsive market orientation**, develops ten items from Deshpandé & Farley (1998).

Moderating Variable

To measure the moderator variable, this research determine the expectations of service is divided into two types. Medium expectations of service are defined as consumers who expect to receive a medium quality of service in a 3-star hotel. High expectations of service are defined as consumers who have the hope to receive a high quality of services in 4- 5-star hotels. The measurement of the expectations of service is by setting up a dummy variable.

Statistical Techniques

This study uses structural equation modeling (SEM) to analyze the data derived from respondents. The first step was to test the measurement model. Confirmatory factor analysis (CFA) technique is used to assess fit and validity. Next, the second step was to test the conceptual framework. Also, eight hypotheses for a PMO, RMO and 7As are tested in this step. However, existing methods for multi-groups in SEM assume that different samples are independent. There are many objectives in this study and one of them is to analyze the path coefficients pairs for identical models using the different samples. This study would examine the same concept but utilized it with the data from two different groups. This study examines for multi-group SEM with correlated samples 3-star rating and 4-5-star rating.

For construct validity, fit indices are the criterion to determine how well the fit of association among indicators and latent variables of a study's estimated model and observed data (Schumacker & Lomax, 2011). Several indices to evaluate the fit of the model are suggested, Chi-square to the degree of freedom ratio ($\chi 2$/d.f.) less than two reveals a good fit available between the estimated model and observed data (Diamantopoulos, Siguaw & Siguaw (2000). Bentler & Chou, (1987) suggested a cutoff value for NFI should be higher than 0.9 for a good fit. This criterion is also applied to other fit indices such as CFI, IFI, and RFI (Marsh, Balla, & Hau, 1996). Furthermore, Garson, (2012) recommend a cutoff value of Root Mean Square Error of Approximation (RMSEA) is lower than 0.08 for an acceptance fit. This research would analyze the same model but with data collected in a 3-star hotel and 4-5-star hotel.

Confirmatory Factor Analysis (CFA)

The study shows CFA of all constructs two groups in 3-star hotels and 4-5-star hotels base on PMO, RMO, and 7As. The finding of CFA, all items shown that Chi-Square test is not significantly different from zero at a level 0.05. RMSEA is less than 0.80 and GFI above 0.90. It can be implied that there is a goodness of fit between observed data and estimated model. All standardized factor loadings have a significant impact at a level of significance 0.01. Squared Multiple Correlation (R^2) has above 0.40. It can be concluded that all observed variables should be included in further analysis. The underlying assumption of SEM, all variable should have a normal distribution for reliable results of data analysis. An estimating parameter in SEM via Maximum likelihood estimation (ML) is convergence and has proper solutions when the sample size is large enough (Boomsma & Hoogland, 2001). Summarize, the findings items of PMO, RMO, and 7As is reliable and valid.

Table 1 and Table 2, show correlation matric in 3-star hotel and 4-5-star hotel. The result is lower at 0.80, indicate no multicollinearity problems (Hair et al., 2006). And the bivariate correlation procedure is subject to a two-tailed test of statistical significance at 1 level shown as $P < 0.01$.

Table 1: Correlation Matrix of All Constructs in 3-Star Hotels

	PMO	RMO	ANTI	ADAP	ALIG	ACTI	ACCO	ATTR	ASSE
PMO	1.000								
RMO	0.733***	1.000							
ANTI	0.667***	0.630***	1.000						
ADAP	0.671***	0.693***	0.466***	1.000					
ALIG	0.745***	0.736***	0.586***	0.689***	1.000				
ACTI	0.685***	0.689***	0.531***	0.595***	0.711***	1.000			
ACCO	0.639***	0.669***	0.432***	0.731***	0.761***	0.731***	1.000		
ATTR	0.719***	0.685***	0.538***	0.691***	0.731***	0.741***	0.724***	1.000	
ASSE	0.691***	0.655***	0.463***	0.695***	0.750***	0.746***	0.710***	0.770***	1.000
$\overline{X}$	3.820	5.210	3.585	4.036	3.971	4.152	3.968	3.8331	4.029
S.D.	0.631	0.724	0.699	0.624	0.744	0.672	0.739	0.759	0.599

Note: *** significant level at 0.01.

Table 2: Correlation Matrix of All Constructs in 4-5-Star Hotels

	PMO	RMO	ANTI	ADAP	ALIG	ACTI	ACCO	ATTR	ASSE
PMO	1.000								
RMO	0.673***	1.000							
ANTI	0.509***	0.393***	1.000						
ADAP	0.667***	0.702***	0.370***	1.000					
ALIG	0.682***	0.733***	0.506***	0.728***	1.000				
ACTI	0.610***	0.733***	0.423***	0.673***	0.755***	1.000			
ACCO	0.538***	0.601***	0.355***	0.604***	0.628***	0.706***	1.000		
ATTR	0.516***	0.548***	0.332***	0.683***	0.650***	0.675***	0.572***	1.000	
ASSE	0.621***	0.627***	0.366***	0.658***	0.661***	0.709***	0.631***	0.712***	1.000
$\overline{X}$	4.134	4.360	3.795	4.107	4.146	4.331	4.259	4.065	4.204
S.D.	0.632	0.602	0.694	0.660	0.720	0.640	0.644	0.733	0.598

Note: ** significant level at 0.01.

Measurement Model Assessment

Reliability and Validity

For testing the reliability variable, composite reliability (R^2) is used to test the reliability of. R^2 of all constructs has a value between 0.30 and 0.50 are acceptable (Moore, Notz, & Flinger, 2013). The findings show that all variable have a factor loading more than 0.4, Average Variance Extracted (AVE) more than 0.50 (Fornell & Larcker, 1981), and Construct Reliability (CR) more than 0.70 (Hair et al., 2006). It suggests that all constructs suitable for analysis in this study. Moreover, In this study, all variables which have Cronbach' alpha more than 0.70 are acceptable (Nunnally & Bernstein, 1994). Therefore, reliability is appropriate for accurately confirming that constructs of the study.

For construct validity, fit indices are the criterion to determine how well the fit of association among indicators and latent variables of a study's estimated model and observed data (Schumacker & Lomax, 2011). A measurement model of PMO and RMO, 7As have Chi-square to the degree of freedom ratio ($\chi 2$/d.f.) (3,222.791/1,473) equal 2.188 which is between 2.00 to 5.00. But, the p-value is lower than 0.05 which proves a bad fit model. Fornell & Larcker (1981) suggested that should consider other fit indices (such as RMSEA, NFI, CFI, IFI, and RFI) rather than p-value to evaluate a goodness of fit between the observed and estimated model when the sample size is large. RMSEA of a measurement model is 0.068 which is lower than 0.8. It shows a good fit between the estimated model and observed data. In addition, NFI (0.961), CFI (0.922), IFI (0.910), and RFI (0.913) are above a cut off value (0.9). Thus, these fit indices demonstrate a good fit between the estimated model and observed data. Based on the analysis, this study concludes that a measurement model of PMO, RMO and 7As framework has a reasonable fit with the data.

Structural Model Assessment

This section, hypotheses of the proposed frameworks are tested. To check the model fit of the results of the data analysis, this study separates two frameworks following moderator variables, 3-star hotels, and 4-5-star hotels for a testing relationship in each hypothesis. The results of the model fit assessment in 3-star hotels and 4-5-star are as follow. The results show that the observed and estimated covariance matrix is not different is accepted at the level of significance 0.05. χ^2 is lower than 2 (15.971/12 = 1.331 < 2.00), P-value = 0.193 > 0.05 which show that an adequate fit of a model with the observed data. Moreover, fit indices, NFI (0.991), CFI (0.998), IFI (0.998), and RFI (0.948) are above the cutoff criteria (0.900), and RMSEA (0.036) is lower than recommended value (0.80) is acceptance. To summarize, these indicators demonstrate a good fit. The results hypothesis testing are as follows:
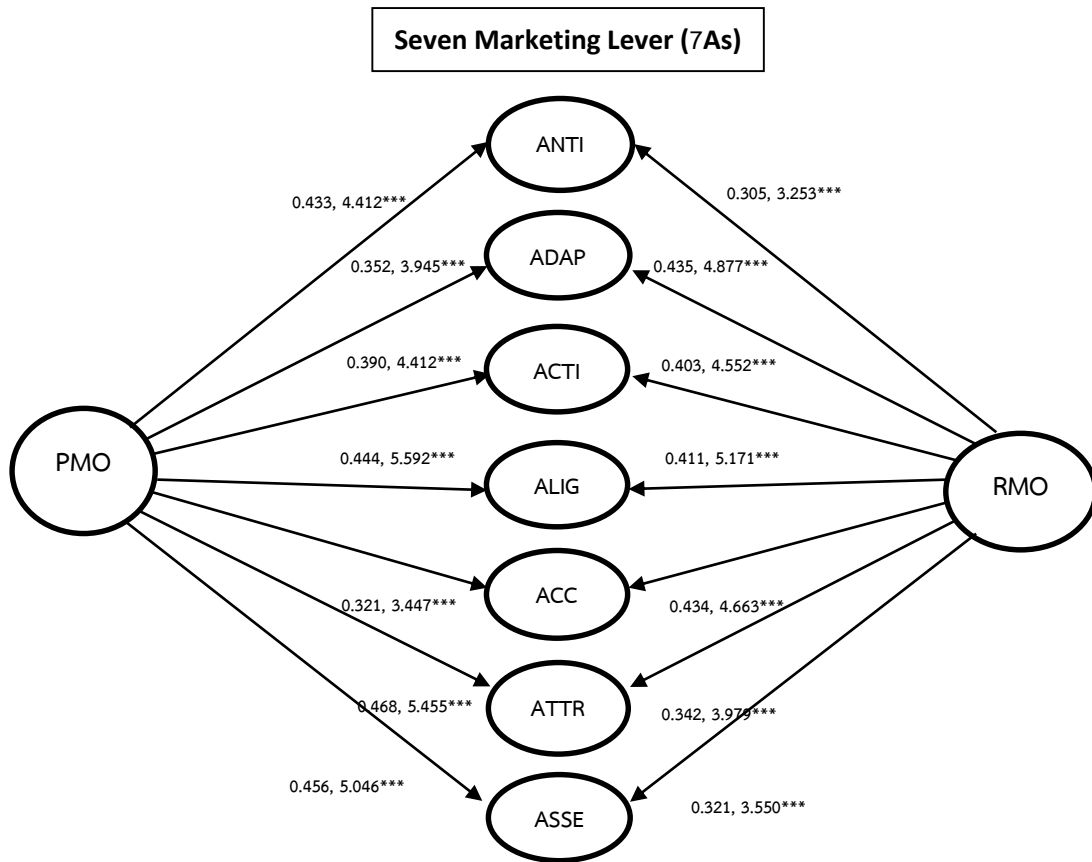
1) PMO and RMO and, 7As of 3-Star Hotels

The PMO has significant positive impact on anticipation activities (H1a: γ = 0.443, P < 0.01), adaptation activities (H1b: γ = 0.352, P < 0.01), alignment activities (H1c: γ = 0.444, P < 0.01), activation activities (H1d: γ = 0.390, P < 0.01), accountability activities (H1e: γ = 0.321, P < 0.01), attraction activities (H1f: γ = 0.468, P < 0.01), and asset management (H1g: γ = 0.456, P < 0.01). *Therefore, H1a-H1g are supported.* In addition, RMO has significant positive impact on anticipation activities (H2a: γ = 0.305, P < 0.01), adaptation activities (H2b: γ= 0.435, P < 0.01), alignment activities (H2c: γ= 0.411, P < 0.01), activation activities (H2d: γ = 0.403, P < 0.01), accountability activities (H2e: γ= 0.434, P < 0.01), attraction activities (H2f: γ= 0.342, P < 0.01), and asset management (H2g: γ = 0.321, P < 0.01).*Therefore, H2a-H2g are supported.*

A standardized structural parameter estimate demonstrates the size and direction of the effect between two constructs. A standardized estimate is used to compare a relative strength or the importance of construct in the model. It shows that PMO and attraction activities (0.468) are the most affecting factor of 7As. Other factors which have impacts are asset management (0.456), alignment activities (0.444), anticipation activities (0.443), activation activities (0.390), adaptation activities (0.352), and accountability activities (0.321), respectively.

Also, it is shown that RMO and adaptation activities (0.435) are the most influential factor affecting 7As. Other factors which have impacts on RMO are accountability activities (0.434), alignment activities (0.411), activation activities (0.403), attraction activities (0.342), asset management (0.321), and anticipation activities (0.305), respectively. Standardized structural parameter estimates ant t-value of PMO, RMO and 7As in 3-star hotels paths are show in Figure 2.

Figure 2: The Relationship between PMO, RMO, and 7As in 3 Star Hotels Frameworks


2) PMO, RMO, and 7As 4-5-Star Hotels

To consider the effects of PMO, RMO, and 7As in 4-5-star hotels. The PMO has significant positive impact on anticipation activities (H1a: γ = 0.448, P < 0.01), the adaptation activities (H1a: γ = 0.356, P < 0.01), alignment activities (H1a: γ = 0.344, P < 0.01), activation activities (H1d: γ = 0.213, P < 0.01), accountability activities (H1e: γ = 0.244, P < 0.05), attraction activities (H1f: γ = 0.270, P < 0.05), and asset management (H1g: γ = 0.363, P < 0.01). *Therefore, H1a-H1g are supported.* In addition, RMO has significant positive impact on anticipation activities (H2a: γ = 0.091, P > 0.05), adaptation activities (H2b: γ = 0.462, P < 0.01), alignment activities (H2c: γ = 0.501, P < 0.01), activation activities (H2d: γ = 0.590, P < 0.01), accountability activities (H2e: γ = 0.436, P < 0.01), attraction activities (H2f: γ = 0.366, P < 0.01), and asset management (H2g: γ = 0.383, P < 0.01). *Therefore, H2b-H2g except H2a are supported.*

Standardized structural parameter estimates of PMO in 4-5-star hotels paths are included in Figure 3. It shows that PMO and anticipation activities (0.448) are the most affecting factor of 7As. Other factors which have impacts on PMO are asset management (0.363), adaptation activities (0.356), alignment activities (0.344), attraction activities (0.270), accountability activities (0.244), and activation activities (0.213), respectively. Also, it is shown that RMO and activation activities (0.590) are the most affecting factor of 7As. Other factors which have impacts on RMO are alignment activities (0.501), adaptation activities (0.462), accountability activities (0.436), asset management (0.383), and attraction activities (0.366), respectively. Standardized structural parameter estimates ant t-value of PMO, RMO and 7As in 4-5-star hotels paths are show in Figure 3.

Figure 3: The Relationship between PMO, RMO, and 7As in 4-5-Star Hotels Frameworks
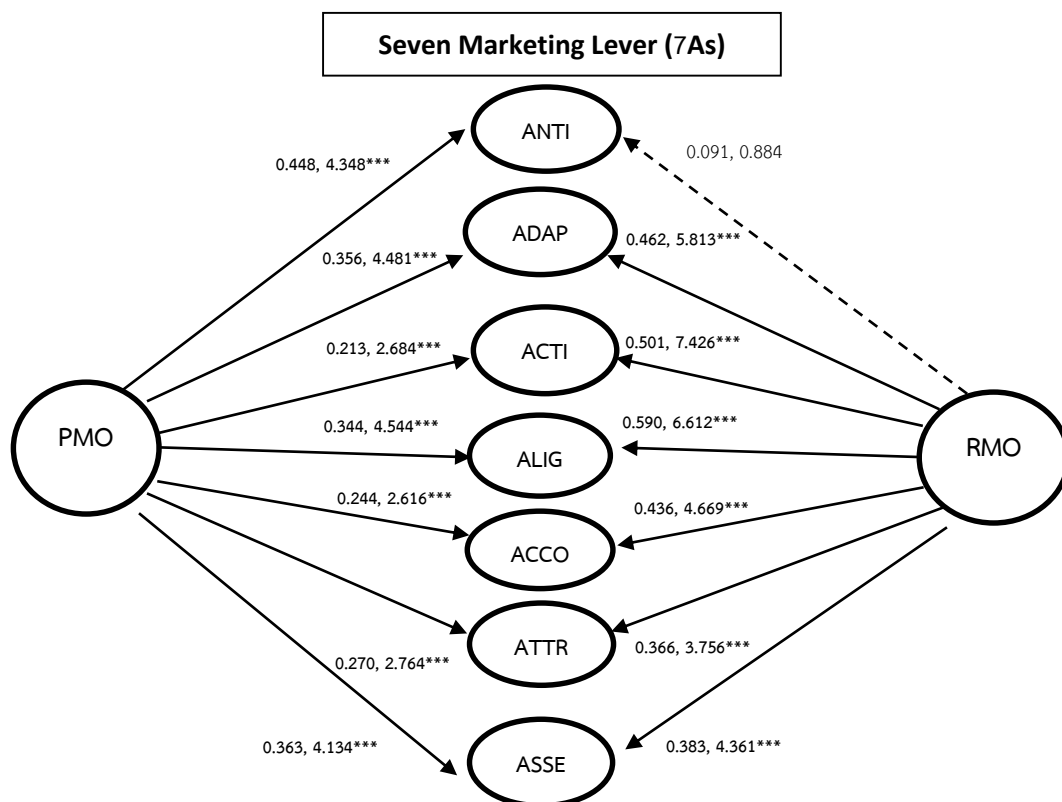
For hypothesis H3, the findings are shown in Table 1-4. testing the difference of the coefficient level of 7As between a higher expectation of service (4-5-star hotels) and medium of service (3-star hotels) shown that there is no difference in term of PMO and RMO and 7As between two groups. This study, show that the PMO, RMO, and all marketing activities have relationship significant. For PMO, the medium of service (3-star hotels) has a stronger relationship

than higher expectations of service (4-5-star hotels) in four marketing activities expect adaptation activities and activation activities. However, for PMO, the higher expectations of service (4-5-star hotels) have a stronger relationship than a medium of service (3-star hotels) in six marketing activities expect anticipation activities. **Therefore, H3 is partially supported.**

Conclusion

The results from the hypothesis testing reveal that PMO and RMO in 3-star hotels, and 4-5-star hotels have a substantial positive impact on 7As. The results show that PMO and RMO as marketing capability has a strong relationship with 7As. For, 3-star hotels, PMO has the most influential factor are attraction activities, asset management, alignment activities, and anticipation activities, respectively. RMO has the most influential factor are adaptation activities, accountability activities, alignment activities, and activation activities. For, 4-5-star hotels, PMO has the most influential factor are anticipation activities, asset management, adaptation activities, and alignment activities. RMO has the most influential factor are activation activities, alignment activities, adaptation activities, and accountability. According to Moorman & Day (2016), suggested that marketing capabilities are mobilized through 7As that occur during the marketing strategy process to advance marketing excellence. In addition, Voola and O'Cass (2010) identified that top management and the marketing manager is critical for developing strategies and therefore they will drive market orientation, market activities development, and deployment to implement a strategy for performance.

Surprisingly, 4-5-star hotels, RMO does not have a significant impact on anticipation activities. This phenomenon, customer value perceptions are dynamic, firm have necessary focus anticipation capability more than responsive consumer needs. The requirements of the customers are understood and identified; hotel operators are expected to fulfill and anticipate their the needs and wants of their customers (Devi Juwaheer & Lee Ross, 2003). As a result, reveals that the coefficient level of 7As between a higher expectation of service (4-5-star hotels) and medium of service (3-star hotels) shown that there are does not have higher coefficients than all activities in term of PMO and RMO, 7As between two groups. Due to 3-star hotels and 4-5-star hotels have a difference in service quality, service perceives, and expectation of service of the consumer. Therefore, concentration for performing PMO and RMO possibly has a gap in marketing activities influence to gaining market strategy process. According to Hardy (2014), established that firms use many alike marketing practices. To make their market more competitive for their competitors, each star evaluation of the hotels must effectively use differentiation in activities and strategies.

Contributions

1) Theoretical Contributions

This study attempts to gain more understanding of the relationships between PMO, RMO, and 7As. It can be stated that this research provides unique theoretical contributions that can explain the underlying mechanisms of the relationship between the PMO, RMO, and 7As. Three theories, including resource-based view theory, knowledge base view theory, and marketing capability are employed as a theoretical foundation of research. The result of this research can examine the generalizability of the market orientation including two behavioral in PMO, RMO constructs to service industry and Thailand context. Moreover, the researcher possibly brings to develop 7As, measurement and adopt the proposed model to test these conceptual frameworks in service businesses. In addition, this research has sought to develop a more concrete concept in 7As and gain more understanding regarding a new concept of 7As by applying findings from the marketing strategy, marketing activities literature. Finally, this research clarifies the concept of 7As as an essential factor in the marketing strategy process, which will be useful for further study.

2) Managerial Contributions

Findings of this research provide how the hotel businesses understand their business achieve marketing strategy process through PMO, RMO, and 7As. The marketing manager must emphasize according to the priority of marketing activities, for each star rating hotel to have success in their marketing strategy process. The managerial contributions are as follows. First, managers should put more efforts and pay attention to establishing 7As as a marketing strategy process because it can maximize the benefits of PMO and RMO. Second, the hotel manager should choose PMO, RMO, 7as appropriate in hotels context for better service performance.

Conclusion

Limitation

The limitation of this research is the data solely collected from the website database of the Tourism Authority of Thailand under the Ministry of Tourism and Sports. The sample size of the 3-star hotels and 4-5-star hotels are 127 and 128, respectively. In this study, the number of samples received might cause a significant prediction power problem. The findings of this study are from only hospitality industries in Thailand. Therefore, the research findings may have the absence of generalization notion in both other countries and industries. Consequently, the outcomes might be different from the findings in the literature. In addition, the explanation and understanding of the control variable such as firm age, firm size, firm capital, firm location, and its

effects are still limited. The researchers should be examined in another dependent variable such as service performance that impacts to operation of 7As for better in conceptual frameworks.

Future Research Direction

Future research is as follows. First, future research should seek other moderating variables to enhance the relationships between the PMO, RMO, and 7As, such as market turbulence, competitive pressures, and marketing culture. Second, future research should investigate the opinion of customers in the PMO, RMO and 7As for better understand (Tellis, Prabhu, & Chandy, 2009). Third, the research should examine the effect of the control variables, including firm size, firm age, firm location, ownership type. Fourth, the survey the empirical evidence in the different industrial sector for future research is required to expand the usefulness of these findings. Fifth, to measure the impact of PMO, RMO, and 7As, it takes a long time to capture these impacts in hotel industry (Chandy & Tellis, 1998). Finally, future research investigates other firm's capability that might relationship in 7As such as absorptive capacity, market driving or market driver capability, and flexibility capability.

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