

The important role of corporate social responsibility capabilities in improving sustainable competitive advantage

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Abstract

Purpose – This study examines the effect of corporate social responsibility (CSR) capabilities on corporate association and, consequently, customer orientation and price premium, which are key to competitive advantage.

Design/methodology/approach – This study adapts survey instrument targeting employees of a Korean firm. A total of 168 usable questionnaires were collected from seven Korean firms that were conducting CSR and public relations (PR) activities.

Findings – CSR and PR capability induce positive CSR and corporate ability (CA) associations, which improve customer orientation and increase price premium. The results of our empirical study indicate that a company should consider both CSR and PR capabilities to enhance its employees' positive attitude to its CSR activities and CA association.

Research limitations/implications – This study has undertaken a holistic examination of important role of CSR and PR capability and their outcomes, namely customer orientation and price premium.

Originality/value – Understanding of CSR capabilities in terms of competitive advantage is imperative to the establishment of strategic CSR initiatives. This study attempts to answer whether corporate capabilities for social responsiveness improve a company's competitive advantage.

Keywords Price premium, Customer orientation, CSR capability, CA association, CSR association, PR capability

Paper type Research paper

Introduction

Corporate social responsibility (CSR) has become a prominent issue for long-term sustainability, and many companies have come to recognize it as a key factor in their success (Lichtenstein *et al.*, 2004). Companies that engage in CSR initiatives build consumer trust and convey a positive company image (Pivato *et al.*, 2008). It is well-known that CSR needs to satisfy not only customers, but also other stakeholders, such as employees, investors, suppliers and communities. Companies with a strong CSR reputation have an increased capacity to attract and retain high-quality employees (Fombrun and Shanley, 1990), resulting in lower employee turnover and reduced training costs.

Of all Fortune 500 companies, 90 per cent have specific CSR initiatives (Kotler and Lee, 2005) and use their websites to demonstrate their CSR activities (Podnar, 2008). According to the Federation of Korean Industries (FKI) survey (Han, 2011), Korean 202 companies' expenditures in social contributions amounted to 2.87 trillion won (roughly \$2.6 billion). This expenditure was twice that of US companies and 2.6 times that of Japanese companies in 2006. Social contributions by US companies have, however, declined by 14.5 per cent and corporate donations have dropped by 50 per cent over the last 15 years (Porter and Kramer, 2002). The fundamental problem with CSR initiatives is that companies usually do not have strategic CSR strategies but, rather, numerous disparate CSR initiatives (Googins and Rochlin, 2006). The problem of how companies can conduct CSR initiatives to maximize returns to CSR investment still remains to be solved (Bhattacharya *et al.*, 2009).

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A significant portion of company capabilities and resources must be focused on strategic CSR initiatives (Porter and Kramer, 2002). Capability is defined as a unique bundle of knowledge and processes that enables the activities in a process to be conducted (Sharma and Vredenburg, 1998). Ethical and social capabilities have been overlooked in strategic management performance (Litz, 1996). The capabilities required for social responsiveness are those that meet a firm's CSR and enable it to recognize and respond effectively to them (Black, 2006).

According to recent research (Lee et al., 2013), CSR capabilities are defined as a corporation's knowledge, skills and processes associated with the planning, implementation and evaluation of CSR initiatives. Such CSR capabilities could be one of the most important strategic approaches in a company's CSR efforts. As CSR has also become more important in improving a company's sustainable competitive advantage, an understanding of CSR capabilities in terms of competitive advantage is imperative to the establishment of strategic CSR initiatives.

This study attempts to answer whether corporate capabilities for social responsiveness improve a company's competitive advantage. The capability to be ethically and socially responsible can contribute to competitive advantage (Litz, 1996). Previous research suggests that a company's resources and capabilities influence its environmental initiatives, business managers' ethical attitudes and competitive advantage (Barney, 1991; Elsayed, 2006; López-Gamero et al., 2008). Bansal (2005) emphasizes the importance of CSR capabilities in corporate sustainable development. Consumers' cognitive association of a company can be both a source of competitiveness (Hall, 1993) and a strategic asset (Weigelt and Camerer, 1988). Even though CSR capabilities are a very timely and important factor, research on their role, not only in conducting CSR initiatives effectively, but also in enhancing companies' competitive advantages, is very limited.

In addition, CSR initiatives are important to stakeholders, such as providing a number of benefits to employees and improving the relationship between the company and its stakeholders (Bhattacharya et al., 2009). Based on past findings and theories of organization (Black and Härtel, 2002b), this study develops and tests a theoretical model of the competitive advantage of CSR capabilities from the employee's perspective. The ultimate goal of this study is to examine the effect of CSR capabilities on corporate association and competitive advantage. This study outlines the influence of two types of capabilities, namely CSR and public relations (PR) capability, on corporate association – CSR and corporate ability (CA) association – and, consequently, customer orientation and price premium, which are key to competitive advantage. The study also empirically validates the suggested conceptual framework (see Figure 1).

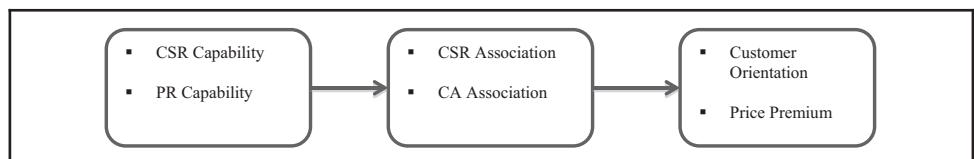
Theory and hypotheses

Effects of CSR and PR capabilities on CSR and CA association

Black and Härtel (2004) introduce the CSR concept of management capacity to depict the corporate ability. They develop measures of CSR management capacity, using two concepts: a company's CSR capability and its PR capability.

Usually, PR effects are evaluated by their impact on changes in knowledge, attitudes and behavior (International Public Relations Association, 1994), and PR capability would be

Figure 1 A conceptual model of this study



described as the pathway by which PR delivers value to companies. PR capability shows how an organization manages its strategic foundations in its organizational environment. Further, an effective PR capability is described as the corporate capacity to maintain and build relationships with strategic constituencies. This study proposes that a corporation with relational PR capability promotes valued outcomes such as a durable reputation, bottom-line benefits and business performance by building trust-based corporate-stakeholder relationships.

Following Carroll's (1979) measure, Black and Härtel (2002b) develop a new construct of CSR capability based on an organization's viewpoint of stakeholder relationships as a potential source of competitive advantage. The definition of CSR capability assumes that stakeholders make normative and instrumental assertions for the organization. Furthermore, several studies (Kohli and Jaworski, 1990) have indicated that CSR capability drives employee motivation and commitment.

Previous studies have proven that a company's capabilities resulting from combining resources provide it a sustained competitive advantage (Barney, 1991). Elsayed (2006) suggests that the quantity of resources available to a company and its size determine its organizational capacity to apply the appropriate environmental initiatives and thus affect its environmental performance. López-Gamero *et al.* (2008) show that a company's resources have a strong effect on its business managers' ethical attitudes. An organization's capability to be ethically and socially responsive can contribute to the company's competitive advantage (Litz, 1996). Brown and Dacin (1997) indicate that employee association of CSR initiatives is more positive when the company has the ability to plan, implement and evaluate its CSR initiatives.

Corporate social responsiveness capability impacts on reducing and avoiding conflict with stakeholders (Black and Cordingley, 2007) and is an important factor in ensuring employee perceptions on CSR initiatives (Lee *et al.*, 2013). Taken together, CSR and PR capabilities influence performance by enhancing public affairs strategies and their subsequent effect on conflict avoidance with stakeholders (Black and Härtel, 2002a). This suggests that the ability to perceive stakeholder interests, ethical awareness and issue management ability are crucial resources that can help companies achieve and maintain legitimacy. Thus, the following hypotheses are proposed:

H1a. A company's CSR capability has a positive effect on its CSR association.

H1b. A company's CSR capability has a positive effect on its CA association.

H2a. A company's PR capability has a positive effect on its CSR association.

H2b. A company's PR capability has a positive effect on its CA association.

Effects of CSR and CA association on customer orientation and price premium

Berens and van Riel (2004, p. 17) define corporate associations as "a heterogeneous set of perceptions, which may be related to a wide variety of aspects of a company". This study develops two types of corporate associations: CSR and CA association. Several studies have investigated the effect of CSR and CA associations with consumer responses to products and brands (Brown, 1998). Further, prior research has suggested that CSR association influences overall product evaluation and loyalty, including a willingness to pay a higher price (Maignan and Ferrell, 2001). A strong record of CSR creates positive consumer evaluations and attitudes toward the company (Brown and Dacin, 1997; Sen and Bhattacharya, 2001). In addition, CA association has a positive effect on consumer evaluations of the product and the company, as well as on the company's profitability (Brown and Dacin, 1997; Porter, 1985).

Both CSR and CA associations influence product evaluations, but CA association has been shown to have a stronger effect (Berens *et al.*, 2005). Gupta (2002) indicates that CSR and CA are characterized as strategic dimensions of a company's image and show that CSR-

and CA-enhancing companies are more customer-oriented and have greater competitive advantage (Kohli and Jaworski, 1990). More specifically, CA plays a more important role in the willingness to pay premium prices and purchase intention than CSR does. In sum, CSR and CA are important considerations for companies and their stakeholders. That is, when consumers' image of a company is built on product excellence, they are willing to purchase and to pay premium prices:

H3a. CSR association has a positive effect on customer orientation.

H3b. CSR association has a positive effect on price premium.

H4a. CA association has a positive effect on customer orientation.

H4b. CA association has a positive effect on price premium.

Effect of customer orientation on price premium

Customer orientation is defined as a company's actions designed to understand the current and latent needs of customers in the target markets served to increase its value (Narver and Slater, 1990). Corporate image is a function of the cumulative effect of customer-oriented activities (Bolton and Drew, 1991). Luo and Bhattacharya (2006) propose that CSR activities enable a company to build its customer orientation base, which in turn contributes to positive market value. Several studies demonstrate the relation between customer orientation and customers' price sensitivity (Anderson and Sullivan, 1993; Fornell *et al.*, 1996). The higher customer orientation of the company pursues superior value of the products/services and induces a premium price from customers (Huber *et al.*, 2001).

Customer orientation is the most important component of market orientation (Peters and Waterman, 1982) and is positively related to a firm's profitability (Narver and Slater, 1990). Thus, the following hypothesis is proposed.

H5. Customer orientation has a positive effect on price premium.

Research methodology

Sample and data collection

Survey instruments were adapted to target Korean firm employees. Data collection took place over five weeks and resulted in a sample of 193 from seven companies conducting CSR and PR activities. After 25 unusable questionnaires were discarded, 168 were used in the analysis.

Of the 168 respondents, 80 (47.3 per cent) were male and 4 (2.4 per cent) were vice president, 21 (12.5 per cent) were senior managers and 23 (57.4 per cent) were managers. The remaining 121 (71.6 per cent) were staff members. The average firm size, measured as the number of employees, was 13,803.

Measures

We adopted measures suggested and validated in the relevant literature and modified them for the current study (see Appendix). All measures in the questionnaire used a seven-point Likert-type scales with the anchors "1 = strongly disagree" and "7 = strongly agree". The questionnaires were translated into Korean by experts and confirmed by seven marketing professors and practitioners. During the main study, conventional validity and reliability tests were conducted: Confirmatory factor analysis (CFA) using AMOS 6.0 was conducted for the validity test for each measurement scale. Based on the CFA results, we removed some of the items with low factor loadings from the scales. Cronbach's alpha, an indicator of internal reliability, showed that the measures for each construct exceed Nunnally's (1978) threshold value of 0.70.

CSR capability was operationalized as the extent of its abilities to pursue CSR activities by the company. The CSR capability scale was based on the studies of Kanji and Chopra (2010), Lichtenstein *et al.* (2004) and Maignan (2001) and included ethical behavior and social accountability. The two sub-dimensions showed acceptable reliability (alpha = 0.91 and 0.88 respectively).

The PR capability was the extent of its abilities communicating with stakeholders and building relationships with them. It was also conceptualized as comprising three dimensions – value attuned activities, stakeholder engagement and dialogue orientation. May's (2008) scale was adopted and modified for this study. The three sub-dimensions showed acceptable reliability (alpha = 0.95, 0.95 and 0.95, respectively).

Employees' perception of CSR association was operationalized as the degree of their perception of the company's activities supporting a social cause and was determined by a measure developed by Maignan (2001); Lichtenstein *et al.* (2004) and Montgomery and Stone (2009), modified for this study. Employees' perception of CA was operationalized as their perception of company's ability to manage its products or services. For this construct, we adopted the scale suggested by Berens *et al.* (2005). Customer orientation was operationalized as the extent of considering the customer interest in and satisfaction with the company, and the scale from Narver and Slater's (1990) study was used. Finally, price premium was defined as the degree of the intention to accept the product or service at a premium price. We adopted the scale suggested by Palmatier *et al.* (2007).

Structural model

All the constructs were evaluated based on the reliability and discriminant and convergent validity (Anderson and Gerbing, 1988). Following the two-stage approach of model validation (Anderson and Gerbing, 1988), measurement validity of each construct appearing in the structural model was tested prior to estimating and testing the hypothesized structural paths.

Figure 2 shows the testing model with all indicators. The results of the measurement models show that our selected items provide good explanations for each construct. As indicated by the results of CFA (Table I), all the items have a significant loading on their corresponding construct, the lowest *t*-value being 7.38. A pairwise comparison of the constructs in the modification indices indicates that all latent trait correlations between constructs are significantly different from one, establishing discriminant validity. The significant loading estimates and high construct reliabilities establish support for convergent validity (Bagozzi and Yi, 1988).

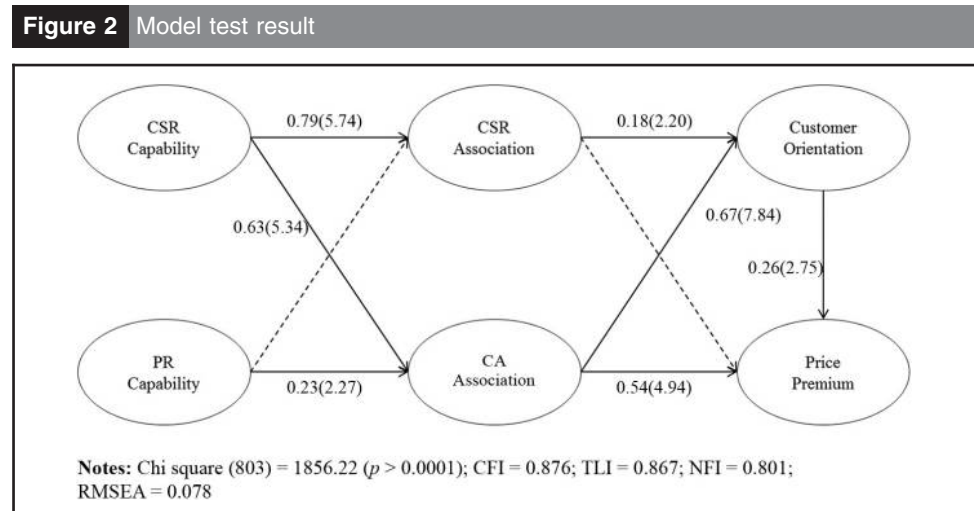


Table I The results of confirmatory factor analysis

CSR capability (AVE = 0.48, alpha = 0.94)															
Construct		Ethical behavior						Social accountability							
Indicator	Eb1	Eb2	Eb3	Eb4	Eb5	Eb6	Eb7	Sa1	Sa2	Sa3	Sa4	Sa5			
Estimate	0.71	0.65	0.77	0.70	0.84	0.82	0.82	0.77	0.89	0.82	0.67	0.84			
(t-value)	(n/a)	(10.33)	(9.52)	(8.64)	(10.31)	(10.14)	(10.17)	(n/a)	(9.20)	(8.69)	(7.38)	(8.88)			
SMC	0.51	0.43	0.59	0.49	0.70	0.67	0.68	0.28	0.79	0.67	0.45	0.71			
PR capability (AVE = 0.75, alpha = 0.97)															
Construct		Value attuned comm.			Stakeholder engagement				Dialogue						
Indicator	Va1	Va2	Se1	Se2	Dg1	Dg2	Dg3								
Estimate	0.96	0.94	0.95	0.95	0.85	0.96	0.97								
(t-value)	(n/a)	(25.00)	(n/a)	(25.33)	(n/a)	(18.39)	(18.92)								
SMC	0.92	0.89	0.89	0.91	0.73	0.91	0.94								
Chi-square = 300.72 with df = 137, p-value < 0.0001, RMSEA = 0.085															
Perceived CSR association (AVE = 0.65, alpha = 0.96)						Perceived CA association (AVE = 0.74, alpha = 0.96)									
Indicator	CA1	CA2	CA3	CA4	CA5	CA6	CA7	CA8	CA9	CAB1	CAB2	CAB3	CAB4	CAB5	CAB6
Estimate	0.69	0.70	0.70	0.87	0.88	0.91	0.88	0.90	0.82	0.84	0.83	0.90	0.93	0.92	0.88
(t-value)	(n/a)	(14.68)	(8.62)	(10.52)	(10.59)	(10.94)	(10.68)	(10.87)	(9.93)	(n/a)	(13.45)	(15.46)	(16.72)	(16.19)	(15.11)
SMC	0.47	0.49	0.49	0.76	0.77	0.82	0.78	0.81	0.67	0.78	0.84	0.87	0.80	0.68	0.71
Customer orientation (AVE = 0.86, alpha = 0.94)						Price premium (AVE = 0.82, alpha = 0.92)									
Indicator	CO1	CO2	PP1	PP2	PP3										
Estimate	0.87	0.95	0.87	0.95	0.96										
(t-value)	(n/a)	(21.69)	(n/a)	(19.67)	(19.99)										
SMC	0.92	0.87	0.76	0.91	0.93										
Chi-square = 289.04 with df = 162, p-value < 0.0001, RMSEA = 0.068; SMC: Squared multiple correlations															

Notes: t-value in brackets; t-values greater than 1.96 are significant; Estimate values are standardized value

Discriminant validity of all the latent variables was checked through χ^2 difference tests. For each pair of constructs, the restricted model (in which the correlation was fixed as one) was significantly worse than the freely estimated model (in which the correlation was estimated freely). All the latent-trait correlations between constructs were found to be significantly different from each other, establishing discriminant validity (Anderson and Gerbing, 1988).

Information obtained from the measurement model was then used to estimate the overall structural model. The model showed a good fit: the χ^2 was not significant ($\chi^2 = 1856.22$, $df = 803$, $p = 0.0001$). In the structural model, the error terms of eight items within same construct were found to be highly correlated and, thus, these error terms were allowed to correlate with each other to improve the model fit. The overall fit indices reflected a good model fit (CFI = 0.876, NFI = 0.801, RMSEA = 0.078).

Hypotheses testing

All the proposed hypotheses were tested using a structural equation model by AMOS 6.0. The results support *H1a* and *H1b*, which propose a positive relation of CSR capability with CSR association and CA association ($\beta = 0.79$ and $\beta = 0.63$, $t = 5.76$ and $t = 5.35$, respectively, $p < 0.01$). *H2a* and *H2b*, which suggest a positive relation between PR capability and CSR association and CA association, were partially supported ($\beta = n.s.$ and $\beta = 0.23$, $t = n.s.$ and $t = 2.27$, respectively, $p < 0.01$). The empirical results showed that PR capability had no influence on employee-perceived CSR association, although it had a positive influence on CA association perception.

H3a and *H3b*, which predict a positive relationship relation between CSR association and customer orientation and price premium, were partially supported ($\beta = 0.18$ and $\beta = n.s.$, $t = 2.20$ and $t = n.s.$, respectively, $p < 0.01$). Employee CSR association had a positive influence on customer orientation, whereas it had no influence on price premium. Finally, *H3a* and *H3b*, which predict a positive relation between CA association and customer

orientation and price premium, were both supported ($\beta = 0.67$ and $\beta = 0.72$, $t = 7.85$ and $t = 7.68$, respectively, $p < 0.01$).

Common method bias (CMB)

Common method bias (CMB) has been attracting increased attention in structural equation-modeling studies (Podsakoff *et al.*, 2003). The present work could suffer from CMB, as all data were collected from a single source. The traditional method for checking CMB involves Harmon's single-factor test (Anderson and Bateman, 1997; Podsakoff *et al.*, 2003; Podsakoff and Organ, 1986). As such, the first factor from the exploratory factor analysis explained 40.59 per cent of total variance, which is not large enough to generate concern about CMB (Podsakoff and Organ, 1986). Therefore, CMB does not appear to be a threat to the model's validity.

Discussion

This research examines the impact of CSR and PR capability on customer orientation and price premium. Our results suggest that CSR and PR capability induce positive CSR and CA associations, which improve customer orientation and increase price premium. The results of our empirical study indicate that a company should consider both CSR and PR capabilities to enhance its employees' positive attitude to its CSR activities and CA associations. The following presents the theoretical and managerial implications of the results.

This study suggests several important theoretical implications for marketing researchers. First and foremost, this study has undertaken a holistic examination of important role of CSR and PR capability and their outcomes, namely customer orientation and price premium. The results show that firms that have greater capability in their CSR and PR activities tend to have more ability not only in CSR-related activities, but also in other functions, such as product management and product innovation capability, which we incorporated into total CA.

This study's second contribution was to gain further understanding of employee perspectives on CSR and PR capability. Previous empirical research has had limited insight into the effect of customer perception on CSR activities, which may be the reason for the inconsistent results. Furthermore, we found little research that investigates the PR capability of firms, although this topic is getting more attention from both practitioners and researchers. The findings for the relation between CSR activities and its consequences have been inconsistent in prior empirical results, which were mainly conducted from the customer's perspective. However, we tried to determine the importance of internal commitment in the relationship between CSR and PR capability and a firm's outcomes by incorporating CSR and CA.

Third, this study reveals the different effects of CSR and PR capability, which are often considered similar constructs in the literature. As many practitioners and researchers consider CSR activities as either part of PR activities or a very similar concept, the operational definitions and measures of these two concepts have often been used inconsistently. This study reveals that CSR and PR capability are rather different concepts that have different influences on related firm activities. While PR capability appears to have no influence on CSR association, it has a significant influence on CA. Compared to PR capability, CSR capability has a stronger influence on both CSR association and CA perception. Hence, this study implies that CSR and PR capabilities should be considered as different concept in future research.

This study also suggests several important managerial implications of marketing managers. First, it reveals that CSR and CA associations are important for their customer orientation and price premium. Although CSR association is not a direct trigger for price premium, which results in profitability, we find that it has indirect effect on price premium through customer orientation. As this study investigates employee perceptions, the results implicate the managers to promote internal employee involvement in their CSR and PR activities. How

employees regard their companies' capabilities in CSR and PR activities influences customer orientation and price premium possibilities through their perceptions of CSR association and CA. In additional analysis of mediation, CSR capability appears to have only an indirect effect on both customer orientation and price premium. This result implies a mediating role of employees' CSR and CA associations. When a company has CSR capability, its employees perceive it to have not only CSR ability, but also general product/service-related ability, which results in customer satisfaction and price premium opportunities.

Second, we find an empirical indication that CSR capability has a strong influence on both CSR and CA associations, which become triggers of corporate sustainability. Firms that have CSR capability rather than PR capability may have more opportunities to take competitive advantage through CSR and CA associations. Hence, marketing managers should understand the importance of CSR capability for long-term sustainability. Although understanding of stakeholders is important and appears to have a positive influence on firm performance, the role of CSR capability is much stronger.

Today, many firms recognize the importance of their reputation and PR capability. To enhance their ability to understand and communicate with stakeholders, firms continue to develop new PR techniques. However, according to the results of this research, firms must concentrate their resources more into building their capability for CSR activities. This study provides a further understanding of firms' CSR and PR capability and their consequences. To enhance customer orientation and price premium to gain profitability, firms need to earn a positive perception of their abilities from their employees, not only in CSR activities but also in other general CAs, through focusing on CSR strategy.

Limitation and future research

Several limitations should be considered in the interpretations of our findings. First, the generalizability of the results is limited because we used a sample from a single country. Future research should focus on collecting data from other countries to see if CSR capability improves company's sustainable competitive advantage universally. Second, we did not include several control variables and used self-reported answers in accounting for corporate performance. This could limit the definitive evaluation of the relative importance of antecedents of CSR association and CA and their outcomes in the current study. Although we show that there are no statistical problems through several common method bias tests, future research could examine secondary firm performance data to enhance the model's validity.

Third, although our survey sample is limited to firm employees, future research could be extended to evaluate the perspectives of other stakeholders, since they are as important as internal employees in running a company. Lastly, future research is needed to measure and evaluate the difference of strategic management performance and the enhancement companies' competitive advantage before and after implementing CSR capabilities.

In conclusion, this study challenges researchers and managers to make more sophisticated assessments of how and why the perceptions of employees influence corporate performance. We believe that by delineating the effect of CSR and PR capability and by showing the mediating role of CSR and CA association, this study illuminates more systematically how such a goal can be reached. With additional work that builds on this study and incorporates other important variables, a more comprehensive account of the effectiveness and efficiency of CSR activities can be obtained.

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Further reading

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Appendix. Measurement items

CSR capability

1. Ethical behavior

- Our company has a comprehensive code of conduct.
- Our company has an independent department that is responsible for the supervision of our employees' ethical behavior.
- Our company is recognized as a trustworthy company.
- Our company emphasizes the importance of its social responsibilities to its employees.
- Our company controls the unethical behavior of employees in the workplace.
- Our employees are required to provide full and accurate information to all customers.
- Our company has ethics training programs for its employees.

2. Social accountability

- The managers have the cognitive ability to understand accountability for social impacts.
- The managers believe that the firm accounts for its social performance, even when the news is not all favorable.
- Our company is willing to disclose social performance, even if there are unfavorable issues.
- CSR activities have a positive influence on the image of our organization.
- Our company is accountable for its behavior to stakeholders other than shareholders.

PR capability

1. Value-attuned communication

- Our public affairs staff has the ability to collect value-pertinent information about our stakeholders.
- Our public affairs staff has the ability to select value-pertinent information about our stakeholders.

2. Stakeholder engagement

- Our company has knowledge about its stakeholders.
- Our company understands its stakeholders.

3. Dialogue

- The representatives of our company display respectful attitudes toward their partners in dialogue.
- The representatives of our company display and encourage honesty in their dialogue with.
- The representatives of our company display genuineness in their dialog toward their partners.

CSR association

- Our company has systems that allow employees to participate in volunteer activities.
- Our company has a department that is supportive of employees' volunteer activities.
- Our company sponsors educational projects.
- Our company plays a role in society that goes beyond the mere generation of profits.
- Our company returns part of their profits to society.
- Our company supports public service.
- Our company allocates some of their resources to philanthropic activities.
- Our company contributes to our local communities.
- Our company encourages its employees to participate in volunteer activities.

Corporate ability association

- Our company provides high-quality products/services.
- Our company has reliable products/services.
- Our company provides good customer service.
- Our company provides a variety of products/services.
- Our company provides innovative products/services.
- Our company has high-quality employees.

Customer orientation

- Our company has a competitive advantage in customer satisfaction.
- Our company has competitive advantage in customer retention.

Price premium

- Buying our company's products/services is a good decision even though I have to pay more for it.
- I am willing to purchase our company's products/services even though the price is higher than competitors'.
- I will purchase our company's products/services even though competitors' prices are lower.

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