INFLUENCE OF SERVICE PROCESS INNOVATION ON COMPETITIVE ADVANTAGE IN THE BANKING SECTOR IN KENYA

Kaithia David Arungai
Jomo Kenyatta University of Agriculture and Technology, Kenya

CITATION: Kaithia, D. A. (2014). Influence of service process innovation on competitive advantage in the banking sector in Kenya. *International Journal of Social Sciences and Entrepreneurship*, *1* (13), 199-224.

ABSTRACT

Banking sector organizations are gaining competitive advantage anchored on service process innovations as the key differentiating factor for banks (Kandaphully, 2002). However, it is regrettable that some banks in Kenya have lost sight of the key goals anchored on serving customer needs, through improved efficiency and augmented financial benefits. The main objective of this study was to analyze the influence of service process innovations in the banking industry towards competitive advantage. The study added to the literature by addressing the role of service process innovations and competitive advantage and this assumed relationship was moderated by the government regulations in banking sector. The study adopted a triangulation design involving a cross sectional approach. A pilot study was conducted to test reliability and validity of instruments. The target population included all the 44 bank incorporated in Kenya. Stratified random sampling technique was applied where the CEOs, directors and branch managers of all banks in Nairobi were targeted. Heterogeneous purposive sampling technique was used to select the bank customers for interview schedule. Data was collected by use of closed and structured questionnaires and interview schedule. Collected data was analyzed using SPSS V18.0 and statistical analysis focused on correlation between variables and analysis of variance among the variables. Multivariate analysis techniques was applied where a PCA method was applied to reduce the set of factors to a manageable scale, analysis of relationship was done using SEM. Pearson correlation coefficient was computed to test linear relations. The test of statistics was carried out at 5% significance level. The study established that service process innovations are very important in influencing competitive advantage in the banking sector.

Key Words: *Service process innovation, competitive advantage, banking sector*

Introduction

Reichstein and Salter (2006) found that process innovation posed difficulties for managers to separate technology from organizational innovations and that process innovations often involve technological and organizational changes. Therefore, suggested for future research to focus on highlighting the differing and incomplete understanding of the concept in the literature on the sources of innovation. Such a refinement of process innovation should account for the multi dimensional character of process innovation which often involves technological and organizational changes.

Service process innovation is defined as the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Process innovations can be intended to decrease unit costs of production or delivery, to increase quality, or to produce or deliver new or significantly improved products (OECD Oslo Manual, 2005). Fagerberg et al. (2004) stressed that while the introduction of new products is commonly assumed to have a clear, positive effect on the growth of income and employment, process innovation, due to its cost-cutting nature, can have a more hazy effect. Voutsa and Weinrich(2012) observed that there is shift in power towards the banking customers enhanced by collapse of customer profitability in many markets all over the world, this combined with technology is shifting the behavior of customers regarding he services which banks offer. Thus, demand for simplicity, self control, mobility, personalized service and consistency of customer experience for each customer segment across various channels.

Gemes, Fletcher and Aggarawal (2009) regretted that the banking complexity has resulted in varying levels of customer service and inefficiency. End to end simplification and a core focus on processes that add value can help banks cut costs, enhance customer service and improve customer retention; four areas of banking value chain form prime target for simplification: product management involving cutting out non-core business lines, rationalized and simplified product offering; migrating from low value transactions to direct channels and focus on scales; capitalizing on scale in case of operations and IT; and clarifying roles and responsibilities in case of banking organizational structure. Cognizant report (2012) notes that the retail banking industry faces unprecedented need to invest in new operating efficiencies while reducing cost. Moreover, new-age competition and demographic changes are further driving investment in technologies that boost productivity and help banks create and retain competitive advantage. However, in an environment of high velocity, narrowing customer niches ,and increased competition, the successful integration of technology and marketing capabilities for service/product confers little long term competitive advantage to a firm (Fowler, King, Marsh and Vicotr, 2000).

In Kenya, studies by Bikker and Bos, (2006) concluded that innovation in Kenyan banking industry were driven by technological advances, changing customer needs and intensified competition. The changing business environment can be explained by a number of factors; - First, customer productivity and profitability in the retail segment has gradually collapsed in many markets in Africa and around the world. Secondly, the self-aware attitude of the new customer towards the bank has led to a shift of power in the customer bank relation. Thirdly, tighter regulation demanded by government and institutions led to increasing costs for compliance. This power shift have dictated changes in the way customers and bankers conduct their business, making service innovation essential to achieve competitive advantage .

Over the last few years, Kenyan banks have been pre-occupied with innovations in the services they offer and how they offer them. Such innovations have become the value proposition for particular banks. For instance, Equity bank (2013) identify itself with money transfer services, mobile banking, ATM services, card services, equity cash back, FAQS, Visa personal payments, online banking and agent banking. Consolidated Bank (2013) identify with banking product which are classified into personal banking products and business banking products. This is characterized by services product innovations: internet banking, mobile banking, agent banking, Forex rates, ATM locations, Branches and debit cards. Chase bank embraces the following services: bank teller, electronic banking, money transfer, safe deposit lockers, and night safe and executive management offices. Barclays bank(2013) is currently focusing on investing in technology and system capabilities so as to offer more affordable and convenient products such as the internet banking, smart phone and tablet banking services to enhance service delivery to all customers wherever they are. There are forty four banks in Kenya which form the focus of this study. These banks are classified on several basis; capital deposits, size and nature of banking activities. Out of the forty four banks, ten are assumed to be the largest banks and are listed in the Nairobi Stock Exchange (NSE). The rest are a total of thirty four small banks which are not enlisted with NSE. Generally, these banks can widely be classified banking institution, non banking institution, microfinance institution and foreign exchange bureaus.

Objective of this study

To evaluate the level of influence of service process innovation on competitive advantage in the banking sector in Kenya

Research Hypothesis

There is no positive relationship between service process innovation and competitive advantage in the banking sector in Kenya

Literature Review

Service Process Innovation

Jeston and Nellies (2006) underpin the following types of process innovations which are applicable in an organization:

1. Redesign of industry value chain involves redesign of customer service such that customers have more control and provides more optimal process due to information access and data integrity. Secondly it involves customer to customer interactions which enhance exchange of ideas, information and opinions which encourage purchase of goods and services.

2. Redesign of business involves processes developed around customer wishes, flexibility is the process rather than exception by pursuing that customer choice (flexibility) is embedded in the process.

3. Redesign of processes by use of real time and geographical information such as using technology to track information, giving customers ability to track and trace their products real-time at the same time reducing workload for the call center.

4. Sub-process innovation involves adopting multi-process rather than using one standard process for a variety of situations such as use of automated services as well as use of mobile communications which allows employees and customers to access time based critical information such use of mobile devices in utility companies.

In the banking sector, Robinson, Sayer and Pallister (2007) observed that the most visible process innovations in recent years have been those exploiting internet technology to allow for rapid increase in online banking transactions. Also, other process innovations have been observed: the development of a new, automated, integrated back-office system has allowed banks to outsource and offshore routine administration and customer service functions. At the same time centralization of transactions processing and of such core operations as credit risks assessment and sanctioning has reduced the role of local branch and led to a raft of branch closures. Payment methods have been migrated from checks to credit cards, debit cards, chip and pin and now contactless payment systems, how consumers transact business is now being revolutionized.

Pearson (2010) cited key areas where banks were pursuing process innovations were:

1. The automation of credit processes, including the use of electronic signatures for online sales across a broader set of products. Where an end to end online application is not possible, some banks allow customers to start application online and then complete it in a branch.

2. The introduction of paperless branches and cashless branches, developments which have significant process implications for sales and service.

3. The use of mobile phones to process applications for new accounts, supporting the greater use of mobile sale forces.TEB has developed an application for credit cards in Turkish market, and Equity bank in Kenya has also enabled account applications by mobile phone.

Heineke and Davis (2010) define delivery process as the end to end process that directly interacts with the customer. It consists of steps that a customer goes through in the co-creation of value. It begins where the customer first interacts with the service organization and ends when the delivery of the desired service is completed and the customer exits the process. Gemes, Fletcher and Aggarawal(2009) emphasized that shift in customer routine transactions to direct channels such as call centers and internet reduces employee's time spent on cashing cheques because they can be done by customers themselves. For this to be achieved, banks should continue to improve self-service technology within branches and use employees to encourage customers to carry out simpler transactions themselves or through direct channels.

According to Riddle (2008) service delivery process innovation involves changes to the service delivery process or how the service is being provided with significant changes in the role of staff, strategic partners, and/ or customers, the most typical form of innovation including increased accessibility and changes in the degree of self service. Bernard, Lima and Souza(2007) found that automating back office processes such as account opening or closing, processing checks, mortgage and loan personal approvals, etc has helped banks reduce cycle times, reduced high level staffing, improved visibility into the status of requests for front office and customers, standardization of processes and improved quality of services to customers.

Banerjee (2009) found that most recent innovations in the banking sector focused on delivery of products or services, management of customer interactions and administration of back office functions. Process innovations such as: internet related has improved online banking; Automated and integrated back office systems have enabled banks to outsource or offshore routine administration and customer service functions. Centralized transaction process in core operations such as credit risk assessment and loan approval has reduced the role of the local branch. Payment processes have been revolutionized by the introduction of chip-and-pin and contactless payment systems such as smart cards. KPMG (2012) suggest that process innovations have been very important in transforming back office functions, streamlining customer interactions and in facilitating outsourcing, off-shoring and similar cost management strategies.

López-Mielgo et al. (2009) reported that especially process innovations exert a positive influence on the total quality management efforts of the organizations. Beside the speed and quality aspects, innovative performance is also related to the two other elements of production performance; namely, flexibility and cost efficiency. Success in the renewal efforts especially in administrative mechanisms, production processes, and new products can contribute extensively to the dissemination of knowledge and effectiveness of co-ordination within the organization, which are necessary for operational flexibility and decreased related costs (Koufteros and Marcoulides, 2006).

Peters (2008) purports that not all the process innovations lead to cost savings, but some do and allow the organization to market products at competitive prices. Therefore, we can argue that the production performance, which is the combination of the achievements in such performance indicators as speed, quality, flexibility, and cost efficiency, is positively affected by the innovative performance.

Competitive Advantage

Kotler (2000) defined competitive advantage as an organizational capability to perform one or many ways that competitors find difficult to imitate now and in future. Porter (1985) considered that competitive advantage grows out of the value of a firm is able to create for its buyers that exceed the firms' cost of creating it. Porter recognized competitive advantage as strategic goals; that is dependent variable and the reason behind this is the good performance is related to achieving a competitive advantage (Reed and Defillipi, 1990).

According to Cole (2008) competitive advantage is an advantage gained over the competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar or possibly higher prices. Papulova and Papulova (2006) real competitive advantage implies companies are able to satisfy customer needs more efficiently than their competitors. It is achieved if and when real value is added for customers.

Porter (1985) suggests that competitive advantage in an industry arises from differentiation, overall cost leadership and focus by minimizing industry forces which intensify competition. According to Porter (1998) in order to create a competitive advantage and generate shareholder value a company needs a certain set of activities that create value. These activities constitute the value chain. The purpose of these activities is to offer customers with a greater value than the costs of the activities and thereby achieving profit margins.

According to Porter (2012) competitive advantage resides in the value chain and strategy is manifested in choices about how activities in the value chain are configured and linked together. However according to Treacy and Wiersema (1992), Veiweire and Revolo (2009) nowadays, companies have taken their leadership positions in their industries in the last decade by narrowing on their focus to delivering superior customer value in one of the following: Operational excellence, Customer intimacy or product leadership.

Tracey et al. (1999) argues that competitive advantage comprises of distinctive competencies that sets an organization apart from competitors, thus giving them an edge in the marketplace. They further add that it is an outcome of critical management decisions. Porter (1985) suggests that competitive advantage arises from cost leadership, where, the source of cost leadership emanates from pursuit of economies of scale, proprietary technology, preferential access to raw materials and other factors. In fact Cole (2008) contends that quality is an underlying factor in competitive advantage and arises from a product offered being perceived as of higher physical quality than the competitors product or from providing excellent customer service.

Competitive advantage emerges from the creation of superior competencies that are leveraged to create customer value and achieve cost and/or differentiation advantages, resulting in market share and profitability performance (Barney, 1991; Prahalad and Hamel, 1990). Porter's (1991) approach to competitive advantage centers on a firm's ability to be a low cost producer in its industry, or to be unique in its industry in some aspects that are popularly valued by customers. These views have been contested. According to Reeves and Deimler (2011) competitive advantage no longer arising from positioning or resources, rather, from a firm's dynamic capabilities. These capabilities include innovation, organization learning, knowledge management, strategic decision making in order to cope with changing competitive environment (Teece, Pisano, & Shuen, 1997). According to Hana (2013) innovations are and will continue to be a means for organizations to survive in today's turbulent and highly competitive world. According to Campos (2006), an integral part of the strategy of any firm should be to innovate constantly. This means that in order for a company to remain competitive, it must not only improve the products and services but it also has to innovate. This calls for correctly using its resources (tangible and intangible), profit from the clusters it is in and benchmark those activities that foster (impulse) its innovation.

Competitive advantage is defined as the benefits of implementing some unique value creating strategy not simultaneously being implemented by any current or potential competitors (Barney, 1991). However, Customer -centrism proponents or user driven proponents such as Bisgaard & Hogenhoven (2010) agitate for value proposition to the market as arising from user interface, involvement and co-creation, an aspect of services. Empirical findings have shown that differences between organizations may account for more variance in firm performance than differences between industries (Rumelt, 1991). Although important industry effects may be present (e.g., see McGahan & Porter, 1997), organizational-level differences are now acknowledged as a critical source of variation in firm performance over and above industry differences. Gemes, Fletecher and Aggarwal(2009) claim that banks can achieve competitive advantage by focusing on simplifying four areas of value chain: product management, distribution, operations and IT, and organizational structure.

For competitive advantage to be realized through innovation, for instance, Filiscchi, Boone, Brouwer and Wiel (2011) argue that within an industry, successful innovators of new products are the ones that face less intense competition after the innovation and that the firms that introduce new products are the ones that face relatively little competition. Moreover, to compete with established incumbents, in the industry, innovation provides a strong impetus for banks to introduce new products and services as a means of consolidating their foothold in international competition and for start-ups to strengthen their relative competitive position. In addition, Abernathy and Utterback (1978) suggested that companies would achieve competitive advantage in an atmosphere of threats from old technology and entry of new entrant by developing a dominant design. Alternatively, a company can try to take control of complementary assets and wait for appearance of a dorminant design, once the standard becomes clear, it will try to secure most of the profits basing its competitive advantage on the distribution channels, supplier contacts and other complementary assets that will create barriers to entrants.

Teece (1986) describes who will benefit from innovation and what company will have higher incentives to invest in certain innovation as being dictated upon by two factors: imitability and availability of complementary assets. Imitability refers to how easily competitors can copy or duplicate the technology or process underpinning the innovation. Complementary assets includes any activity that that gravitates around the core innovation such as distribution channels, reputation, marketing capabilities, strategic alliances, customer relationships licensing agreements among others. However, according to Bharadwaj, Varadajaran and Fay (1993), the presence of co-specialized assets or lack thereof also impacts on the imitability of innovations.

Competitive advantage suggests that each organization have one or more of the following capabilities when compared to its competitors such as lower prices, higher quality, higher dependability and shorter delivery time. These capabilities enhance the organization's overall performance (Mentzer et al, 2000). Day and Wensley,(1988) asserts that sustaining competitive advantage requires that firms set up barriers that make imitation difficult through continual investment to improve the advantage, making this a long-run cyclical process). Competitiveness appears as the penultimate link in the learning chain. Its meaning differs for profit-making market organisations and non-profit ones. In both cases, however, regardless of their nature, they have elements in common that refer to client satisfaction: opportunity price; quality of products and processes; design and timeliness (flexibility, response capacity) of the goods or services offered. "Competitiveness is the ability always to secure the most advantageous position or niche in rapidly changing markets. The main determinant of this capacity to sell goods and services in the international market is no longer just the edge of relative costs.

Competitiveness is increasingly based on quality, speed of response, technological superiority, product or service differentiation (Tolentino, 2000). Diab (2013) focused on cost, flexibility, delivery as well as quality dimension to measure competitive advantage in Jordan private hospitals. The four dimensions of competitive capability used were operationalized as follows: Cost: the focus being cost reduction especially to customers who are price sensitive. Flexibility: the organization's ability to provide a variety of and different levels in the target market through its ability to keep pace with development in technology, and design products and services according to customer expectations. Quality: the ability of a product or service to meet customer needs and expectations.

Most managers agree that cost and quality will continue to remain the competitive advantage dimensions of a firm (D' Souza and Williams, 2000). In a research framework, Koufteros et al. (1997) describe the following five dimensions of competitive capabilities: competitive pricing, premium pricing, value-to-customer quality, dependable delivery, and product innovation.

Wheelwright (1978) suggests cost, quality, dependability and speed of delivery as some of the critical competitive priorities for manufacturing. There is widespread acceptance of time to market as a source of competitive advantage (Holweg, 2005). Competitive advantage is the extent to which an organization is able to create a defensible position over its competitors (Porter, 1985 and li et al, 2006). Price/cost, quality, delivery and flexibility has been identified as important competitive capabilities (Treacy et al., 1999).Based on studies which were done by Thatte(2007) and Azmi et al. (2012) respectively, and the contributions of Kavitha, Karthkeyan and Devi (2013), Koufteros (1995) and Li et al (1997) competitive advantage has been operationalized and four dimensions of competitive advantage: Cost, quality, time and flexibility have been utilized.

Hong, Callaway, Kunnathur (2010) point to important features of delivery performance improvements as related to delivery speed and reliability, reduced cost and quality. Delivery speed is the ability to reduce time between order taking and customer delivery to as close to zero as possible. Reliability is the ability for firms to meet quoted or anticipated delivery dates and quantities. Flexibility can be focused to achieve a variety of operating attributes such as ability to respond to special service requests. Quality indicates effectiveness of firms to retain customers and focuses on delivery dependability, responsiveness, order flexibility, and delivery flexibility. Time based competition is the ability to reduce lead times and cycle times which assumes close collaboration with suppliers.

Research Methodology

The study adopted a validating quantitative data triangulation design involving descriptive cross-sectional survey approaches. For purposes of triangulation, the researcher implemented the quantitative and qualitative method during the same time and with equal weights (Cresswell, 2006). Descriptive cross-sectional approaches were applied in this study aimed at making predictions regarding the occurrence of phenomenon under study and by taking a sample of a large population at one point in time (Owens, 2002). The study was located in Nairobi County in Kenya. Given the technicality associated with the banking sector information it was imperative to conduct this study in this county where the respondents were likely to generate better information due to high experiences at the headquarters where most of the innovations are generated from. In addition, Nairobi County was suitable because of its centrality and demographic potential of the banking sector. That meant the researcher expected to realize better data information and better responses as compared to other counties in Kenya. The study focused on all the forty four banks in Kenya with special reference to head offices and branches. It was expected that by focusing on banks head offices and their branches the results of this study would be reliable and representative given information sought. The respondents in this study were the bank CEOs, directors of three departments which are responsible for innovations in the banking sector i.e. R$D, operations and marketing and branch managers of all the banks in Nairobi. The officers targeted in this study comprised of 584 members. They were believed to be endowed with knowledge and information regarding innovations in the banking sector. The study also interviewed a few selected customers drawn from some banks in Nairobi County.

The study adopted a mixed method sampling schemes involving a stratified random sampling for the bank officers and a purposive sampling for the customers. Stratified random technique sought to generate a representative sample from target population by addressing a quantitative strand of a study as in this case. In order to select a few customer to be interviewed, heterogeneous purposive sampling technique which aimed to achieve a heterogeneous sample, i.e. a sample whose units share the different characteristics or traits was applied (Teddie, 2009). In this study a questionnaire and an interview schedule were used to solicit the information from the respondents. The questionnaire constructed in this study will comprise of closed and open ended questionnaire items in the same questionnaire paper carefully worded to capture and solicit the intended information. Dichotomous and ordinal scales were applied and were useful in generating descriptive statistics. Likert scale data was constructed and was analyzed at interval measurement scale whereby scale items were created by calculating a composite score from a five type likert –type items (Boone and Boone, 2012). This study mainly utilized likert five point scale as it is one of the best and most frequently used scales to measure opinions due to its ease and balance (Zikmund, 2000). In order to make the data collected amenable to statistical analysis using the SPSS v18 (Statistical Package for Social Sciences), the data was coded as follows: For nominal data for example, representing demographics of the respondents and other characteristics of the bank studied such as , male = 0 and female = 1. In categorical data where likert scale was used representing, 1- 5 where, 1 imply least, 5- imply most was used. The Pearson Correlation coefficient was used to measure the degree of the relationship between linear related variables. In this study, the correlation between innovation constructs and competitive advantage was measured. By using MANOVA, the significance of the regression model was tested through the Wilks' Labda .When the overall model is significant, then the study can predict the individual significance of each variable. In addition, Levene's tests were also used to test whether or not the variance between the group in the independent constructs is equal. Insignificant value of Levene's test shows equal variance between groups. Additionally, the beta coefficient in the regression analysis indicated how effectively the predictor variable influences the criterion variable. These data analysis procedures were applied by Gunday et al. (2009) to measure effects of innovations on firm performance.

Summary of findings relevant to the study

Service process innovation

The study found that majority of the banks surveyed had adopted service process innovations with varying degrees of success. The study established that these service innovations have been imitated by competitors therefore having no or little competitiveness the respective banks but for those few innovations not yet imitated, they do offer some competitive advantages. The findings there support previous research findings by Letangule et al (2012) who found that process innovations increases effectiveness and efficiency of the operations. This is because process innovations leads to cost savings and market the services at competitive prices. However, as

Peters (2008) suggested, not all service process innovations lead to competitive cost savings as this was established in the study findings. Those service process already imitated by competitors would have little or no value to competitive advantage. Additionally, the study findings also are in support of studies by Baer & Free (2003), who studied German companies and found that initiatives for psychological safety innovations had a positive impact on longitudinal performance of a firm. The null hypothesis that posited no relationship between service process innovation and competitive advantage was rejected and the alternate hypothesis accepted.

Competitive advantage

The study found that ATM withdrawal charges had remained the same across banks, banking staff courtesy has also remained the same, so are the banking hall appearance in most of the banks surveyed, the loan origination fees, .However, over the period of last 3 years, the respondents said that the customer care has increased significantly while the rest of the competitive advantage metrics have slightly increased. The increase in the cost of service, interest rates, over the counter withdrawals bank statement charges have increased slightly as banks try to cover the increased costs of doing business in Kenya due to increased inflation and other government regulations. The banks have also been known to report billions of profits in the last three years as a result of non -traditional charges that have managed to be concealed from the regulators and enhanced the bank's profitability over the years. The major banks that have reported over 1 billion operating profits in the last three years include KCB, Cooperative bank, Equity Bank, Barclays bank, Stanchart and Citibank. These and other banks have resorted to non- traditional charges such as over the counter charges being too high.

Conclusions

The study also concludes that banks have now shifted their focus into email marketing and SMS banking using the mobile technology. However, most of the banks delayed implementation technology in their marketing processes probably due to the high level of mobile connectivity among the Kenyan populace is a big disservice. Internet banking is not really embraced for all the market segments and banks are therefore segmenting their markets while innovating in this area.

Recommendations

1. The failure by most banks in Kenya to invest in web chat, click to call, remote video conferencing with customers has denied the banks an opportunity to offer customers enhanced levels of service and convenience. It's recommended that banks look into innovating in this area in order to achieve cost savings in communication, information sharing marketing and product and service design as well in customer satisfaction surveys.

2. The study recommends that bank managers invest in IT and more so the mobile technology where majority of the Kenyan population have access to due to mobile connectivity. The mobile technology would serve a greater number of customers even those who do not know how to write and read English because the mobile phone software allows Swahili in its use. Internet banking although widely hyped among the city residents, it may not be worthwhile in the rural areas. However, more secure features of mobile banking should be enhanced to avoid personal critical data falling into the wrong hands.
3. The banks should look into ways of stimulating consumption of their funds through offering low interest credit cards to middle level wage earners. A credit agency bureaus should consolidate financial information and credibility of each credit prospective card customer before granting such credit. It start with small amounts in the credit card such as shs. 5000.

Area for further research

Given the time limitation, this time-based analysis on the process of innovations and their gradual impact on a bank's competitiveness were not included in the analysis .This study suggest for future researchers to apply a longitudinal approaches.

References

Abernathy, w. J. & Utterback, J. M.(1975) A dynamic model of process and product innovation. OMEGA, *The international Journal of management science.* vol3. No6, 1975 .639—656. Great Britain

Abbernathy, W.,J.(1978) *The productivity dilemma:roadblock to innovation in the automobile Industry*. Bathmore:Johns Hopkins University Press.

Abernathy, w. J. & Utterback J. M.(1978) Patterns of Innovation in Technology._*Technology Review:40-47.* Cambridge

Aceleanu & Serbia (2009) The relation between sustainable innovation and competitive advantage: Romanian perspective. *Communications of the IBIMA.Vol8, 2009 ISSN:1943-7765/v8n7.pdf*. http://www.Ibimapublishing.com/journals/CIBIMA

Achieng, O,D.(2011) *Competitive strategies applied by bank's agents to sustain their market share*(A case of commercial banks in Migori county). http://ir-library.ku.ac.ke/bitstream/handle/123053789/7606/Omollo%20Dorothy%20Achieng.pdf

Adam,E. &Albert, R.(1996) *Production and operations management: concept models, and behaviors* (5th edition),Eaglewood cliffs NJ: Prentice Hall.

Al-alak B. & Tarabieh S. A. (2011) Gaining competitive advantage and organizational performance through customer orientation, innovation differentiation and market differentiation. *International Journal of Economics and Managerial Sciences.vol.1. No 5, 2011. Pp. 80-91.* http://www.manageemntjournals.org/ijems/5/IJEMS-11-1508D.pdf(Accessed 25/3/2013)

American Heritage Dictionary (2013) *Bank.* http://www.answers.com/topic/bank

Amit, R. & Zott, C. (2012) Creating value through business model innovation. *MITSloan Management Review vol.53 No.3.* http://www.management. wharton. unplan. edu/amitresearch/docs/2012/Amit-creating-value-Business-model-innovation.

Ankli, R. E.(1992) Michael Porter's competitive advantage and business history. *Business and Economic History, Second Series, Volume Twenty-one,1992*. Business History Conference. ISSN 0849-6825

Asemanyiwaa, M.,C.,A.(2012) *Electronic banking adoption in Ghana. A case of Guaranty TrustBank(India)Limited.*http://dspace.knut.edu.gh/jspui/bitstream/123456789/4948/1/MENSAH%20CHERYL%20ADWOA%20ASEMANYIWAA.pdf

Ashford, N. A. & Hall, R. P. (2011) The importance of regulation-induced innovation for sustainable development. *Sustainability 2071-1050.* Article. http://www.mdpi.com/2071-1050/3/1/270/pdf

Athmor, N.(2013) Innovations in the banking Industry in the rest of the world. *American Academic and Schorklarly Research Journal, 4(5), 15-34* Accessed from www.aarsc.org /aasrj on 23/03.

Auther, P. and Kreutzmann, W.(2011) *Retail banking:regaining customer's confidence. How to retain a trusted partner in a commoditised banking world.* Bearing Point, 2011

Awuondo, I. (2007) *e-Banking in Kenya: Practical lessons to be drawn from Commercial bank of Africa.* http://www.digital.library Strathmore.edu/xmlui/bitstream/handle/

123456789/1129/Awuondo%20Isaac.pdf

Azmi ,A.A.,Gaith, M. and Ayed, M.(2012) Impact of innovation on realizing competitive advantage in banking sector in Jordan. *American Academic& Schorlarly Research Journal.Vol.4. No.5 sept. 2012.* http:naturals publishing .com/files/published/up889+83c79jg4.pdf

Baer, M. & Frese, M.(2003) Innovation is not enough: climates for initiative and psychological safety, process innovations, and firm performance. *Journal of organization behavior. J. Organiz. Behavior.24, 45-68(2003).*http:bschool.nus.edu/departments/management+organization/publication/michaelfresejournal /baer%20

Baker, K.A.(2002) *Innovation*.http://www.au.af.mil/au/awc/awcgate/doe/benchmark/ch14.pdf

Baldwin, J.R. & Johnson, J.(1995) Human capital and innovation: The case of training in small and medium-sized firms. *No 74.ISBN0-662-21725-X.* http://citesteerx.ist.psu.edu

Barclay bank(2013) http://standard media.co.ke/business/article/2000093382/

Barclay, M., Higgins,K. and Thompson, A.S.(1995) Towards a general theory of action.Harper & Row, New York.

Barney, J.B(1986) Strategic factor markets:Expectations. Luck and business strategy.*Management science 32:1231-1241*

Barney, J. B.(1991) Firm resources and sustainable competitive advantage. *Journal of management,17:19-120*.http://www3.uma.pt/filipejmsousa/ge/Barney,%201991.pdf

Bates, K. A. (1995) Innovation history and competitive advantage: A resource-based view analysis of manufacturing technology innovations. http://www.proceeding.aom.org/content/1995/1/235.full.pdf

Beacham, J. (2006) *Innovation is possible for every company*. dti. http://webarchive. nationalarchives.gov.uk/+/http://www.dti.gov.uk/files/file29058.pdf

Bearing Point(2006) *Banking channel optimization: Rationalizing the customer experience.* http://www.bearing point.nl/media/supply-chain-management/bankchannelOpt-whitepaper.pdf

Benson, P.G., Saraph, J.V. & Schroeder, R.G.(1991) The effects of organization context on quality management :An empirical investigation.*vol.37(9) 1991, pp.1107-1124*

Bernard, I., Lima, G. and Souza, J.F.(2007)Improving operations and IT in Latin America's banks. *The Micknisey Quarterly*.

Bernerjee, B.(2009) *How successful banks build their innovation strategy*. Infosys Technology limited, India.http://www.infosys.com/finacle/solutions/thought-papers/Documents/how-successful-banks.pdf

Bharadwaj, S.G.,Varadajan, P.R. & Fahy, J. (1993) Sustainable competitive advantage in service industries: A conceptual model and research propositions. *Journal of Marketing Vol. 57(October, 1993), 83-89.* http://allenjcochran.com/wp-content(uploads) 2012/01/sustainable-competitve-advantage-in-service-industries.pdf

Bhatti, Khan, Ahmed, Hussain & Rehman (2010) Sustaining competitive advantage through effective knowledge management. *Afri J Bus Management.* http://www.academicjournals.org/ajbm/pdf/pdf2011/18Apri/Bhatti%20et%20al.pdf

Bikker, J. A. & Bos, W.B.J.(2006) Trends in competition and profitability in the banking industry: A basic framework. *SUERF, Vienna*. http//www.suerf.org/download/sbiz

Bisgaard T. & Hogenhoven C.(2010) *Creating new concepts, products and services with user driven innovation.* Nordiac Innovation Centre, Norway.http://erhvervsstyrelsen.dk/file/76299/udi.pdf

Bitran, G. R. & Logo, M. (1993) A framework for analyzing service operations. *European management Journal 1(3): 271-282*

Boone, H.N.&Boone,D.A(2012)Analyzing Likert data .West Virginia. *Journal of Extension.April 2012 volume 50 Number 2. Article Number 2TOT2.* http://www.joe.org/joe/2012April/tt2p.shtm

Bollad,D.(2013) Case studies of financial innovations in Africa. Convening space, IDS. Accessed on 25/1/2014 from www.ipsos-mori.com

Boston Consulting Group. "*Innovation 2005:* Senior Management Survey." 2005.

Bruce,l., Bondy, K., Street, R. &Wilson, H.(2009) Channel evolution: How new multichannel thinking can deliver competitive advantage. *Journal of direct, data and digital marketing practice 10(4), 329-335*

Burnett, J. (2012) *The segmented market.* http://www.soylor.org/site/wp-content/uploads/2012/12/BUS 203-2.1.1 The segmented-market.pdf

Bwaley, K. K. (2011) *The relationship between innovation strategies and competitive advantage among banks listed in NSE.* University of Nairobi Digital Repository. http://erepository /unobi.ac.ke/handle/123456789/13320

Casadesus-Masanell, R. & Zhu, F.(2013) Business model innovation and competitive imitation: The case of sponsored based business models. *Strategic management Journal 34:464-482(2013)* John Wiley & Sons Ltd, USA. http://www.bcf.usc.edu/-fzhu/bmi.pdf

Chandan, H.,R. & Urhuogo, I.(2013) Organizational challenges for innovation in information systems. *Proceedings of Southern Association for Information Systems conference, Atlanta, G.A, USA.* http://sais.aisnet.org/2012/chandanurhuogo.pdf

Chavan, J.(2013) Internet banking –benefits and challenges in an emerging economy.*International Journal of Research in Business*

Mangement(IJRM).vol.1,issue 1, June 2013,19-26 Compact Journals.www.impactjournals.us/download.php?

Christensen, C., M. $ Bower J.L(1996) Customer power, strategic investment and the failure of the leading firms. *Strategic management Journal*, 17(3):197-218

Chuang, L-M.(2005) An empirical study of the construction of measuring model for organizational innovation in Taiwanese high-tech enterprises. *The journal of American Academy of Business vol. 9, No.2:299-304*

Chun, W. and Zeng, W.(2006) *The impact of internet on service quality in the banking sector.* Master thesis. Lelea University of Tecnology 2006:07-ISSBN:1653-0187-ISRN:LTU-PB-EX-06/07 SE

Clark, K.B.,Hayes, R.T &Wheelwright,S.C(1998) Dynamic manufacturing.New York,NY.The freee press

Clatworthy, S. (2010) *Service innovations through touch points: the AT-ONE touch-point cards. Second Nordic conference on service design and service innovation.*http:www.sewdes.org/pdf/clatworthy.pdf

Cox,A., Richard C.&Tamkin, P. (2012)working *organization and innovation. European foundation for improvement of working conditions*.www.eurofound.uropa.eu/pubdocs/2012/72/en/1/Ef1272EN.pdf

Crawford, F. & Mathews, R.(2001) *The myth of excellence: Why great companies never try to be the best at everything.* Crown Business, New York.

Cresswell, J.W(2006) *Choosing a mixed method design*.04-cresswell(Designing) 45025.qxd 5/6/2006 8.35pm pp62.http://rds.epi-ucsf.org

Cronbach, L.J.(1951) *Coefficient alpha and the internal structure of testes,* psychometrika, 16, 297-334

Damanpour, F.(1996) Organizational complexity and innovation:Developing and testing multiple contingency models. *Management science, vol.42 No.5, 693-710*

Damanpour, F and Evan, W.M.(1984) Organizational innovation and performance. The problem of organizational lag. *Administrative Science Quarterly, Vol.29, No.3:329-409*

Dey, I.(1993)*Qualitative data nalysis.User friendly guide for social sciences.*ROUTLEDGE. Taylor &Francis group. London and New York. http://www.drapuig.info

Diab, S.M(2013) *Using competitive dimensions to achieve competitive advantage(A study on Jordan private hospitals).* http://hrmars.com/hrmars-papers/Using-the -competitive -dimensions-to- achieve –competitive advantage.pdf

Dilworth, J.B.(1995) *Operations management: Design, planning and control for manufacturing and services*. NY: The free press

Drost, E. A. (2011) Validity and Reliability in social science research. *Education research and perspectives vol.38 No. 1*. California State University, Los Angeles.http://erpjournal.net/wp-content/uploads/2012/07/ERPV38-1

Epetimehi, F., M.(2011) *Achieving competitive advantage in Insurance Industry. The impact of marketing innovation and creativity.* http:jetems.scholarlinksresearch.org/articles/Achieving%20competitive%20Advantage%20in%20 insurance%20Industry.pdf

Equity bank (2013) *Self service*. http://www.ke.equitybankgroup.com/index.php/self-service

Farquhar, J. &Panther, T.(2007) The more,the merrier? An exploratory study into managing channels in UK financial services. *International Review of Retail, Distribution and Consumer Research 17(1) 43-62*

Ferrel, M. and Lacker, G.(1981) *Business Ethics: Ethical decision making & cases(4th Ed.),* Boston Houghton Mifflin Company

Field, K.(2002) *Management research,* 2nd Ed. London: Sage

Filistrucchi, L., Boone, J., Brouwer, E. & Wiel(2011) *Relaxing competition through product innovation*.http://ftp.zew.de/pub/zew/docs/veranstalfunge/innovationpatenting2011/ppapers/filistrucchi.pdf

Fornell, G. and Lacker, R.N(1981) Introduction to linear regression analysis(3rd Ed.). John Wiley and sons, New York

Frei, F.X.., Harcker, P.T. & Hunter ,L.W.(1998) *Innovation in retail banking Wharton financial institution center.* http://fic.wharton.upenn.edu/fic/papers/97/9748.pdf

Frei, F.X., Harcker, P.T & Hunter, L.W(2013) Financial Institutions center. *Journal of Economic Literature, 97,48-B*

Furseth, P.I &Cuthbertson, R.(2013) The service innovation triangle:A tool for exploring value creation through service innovations, *Int, J. Technology marketing vol.8, No 2, pp159-176*.http://www.bi.edu/pagefiles/214077

Fynes,B. & Lally, M.A. (2008) *Innovations in services: From service concept to service experience.* University College Oublin, Ireland.http://faculty.babson.edu/jayrao/published-articles/service-concept.*JOMA*-articles.pdf

Gadrey J., Gallouj F.& Weinstein O.(1995) New models of innovation: How services benefit industry. *International Journal of Service Industry Management. Vol.6 no.3 pp4-16*

Gall, D.M., Borg, R. W.& Gall, P.J(1996) *Educational Research(6th ed).* New York:Longman

Gershon H. J. (2003) Strategic positioning: Where does your organization stand?' *Journal of Healthcare Management.* http://reach-newheight. com/wp-contents/uploads/2012/01/jhm48-1stm.pdf

Giraldo, R.(2010) *Understanding the role of technology in service innovation: A theoretical overview*. Stockholm Sweden. http://www.diva-portal.org/smash/get/divas2

Goh, S,LA.(2002) Towards innovation driven economy through industrial policy-making: An evolutionary analysis of Singapore. *The innovation Journal: The public sector innovation Journal, vol.10(3),* article34.http://www.innovation.cc/volume-issues/goh-innov-driven-econo2a.pdf(accessed4/4/2013)

Hana, U. (2013) Competitive advantage through innovation and knowledge. *Journal of competitiveness. Vol.5 Issue 1pp82-96*.http://www.ejornals.cz/files/127.pdf

Harris Interactive Inc (2006) *Research uncovers different views on innovation.* Dowcorningcorporation.http://www.dowcorning.com/content/about/aboutmedia/research-Newsletter.pdf

Hayes, R.H. &Wheelright, S.C (1984) *Restoring our competitive edge: Competing through manufacturing.* New York, NY: John Wiley sons.

Hertog , P.D.(2000) Knowledge intensive business services as co-producers of innovation.. *International Journal of innovation management. vol.4.No4 (Dec. 2000) pp 491-528*. Imperial college press. http://www.sce.carleton.ca

Johnstone, R. & Clark, G.(2001) *Service operations management.* Prentice-Hall, Harlow UK.

Johnstone,R.(1995) Determinants of service quality: satisfiers and disatisfiers. International Journal of Service Industry management. Vol.6, No.5, pp53-71

Joseph, M., Mc Clure, C. and Joseph, B.(1999) Service quality in the banking sector: the impact of technology on service delivery. *International Journal of Bank Marketing vol. 17No. 4, pp.182-1991.*

Hoffman, K.D. and Bateson, J.E(2002) *Essentials of service marketing:concepts, strategies and cases.*2nd Edition, Harcourt College Publishers

Ivankova, N.V.(2002) A sample mixed method dissertation proposal.http://www.sagepub.com

Investorwords.com (2013) *Commercial Bank.* http://www.investorwords.com/955/commercialbank. html

Jaflah, H.A (2008) *Knowledge management strategic alignment in banking sector at the Gulf Cooperation Council(GCC) countries on organization performance.* Murdoch University

technology on service delivery. *International Journal of Bank Marketing Vol.17, No.4, 182-1991*

Jun, M. and Chai, S.(2001) The key determinants of internet banking service quality : a content analysis. *International Journal of marketing 19/7, 276-291*

Juran, J.M(2004) *Archtect of quality.*New York:Mc Graw Hill

Kaasinen E., Ainasoja M., Vulli E., Paavola H., Hautala R., Lahtonen P. & Raunanen E.(2010) User involvements in service innovation.*VTT RESEARCH NOTES 2552.* Julkaisija-Ultigivare.Finland. http://www.vtt.fi/inf/pdf/tiedotteet/2010/T2552.pdf

Kandampully, J. & Duddy, R. (1999) Competitive advantage through anticipation, innovation and relationships.' *Management Decision 37/1(1999) 51-56.* http://ecsocman.hse.ru/data/477/774/1219/competitiveadv.pdf.(accessed 1/4/2013)

Kemp, R.G.M., Falkeria, M. de Jong, J. P. T. & Wubben E, F,M(2003) *Innovation and firm performance.* Research Report. H200207.http://www.ondernernemerschap.nl/pdf-ez/H200207

Kim, J.O.& Muller,C.W(1978) *Introduction to factor analysis.* Sage, Newbury Park, CA.

Kim,J.S.&Annold, P.(1996) Operationalizing manufacturing strategy. *International Journal of operations and production management, 16(12), 45-73*

Management.ISSBN0948-3829. http://www.iwim.unibemen.de/publikationen/pdfb039.pdf

Komaladewi, R.,Nanere, M., Suryan, Y. and Rufaidah, P.(2012) Service innovation in banking industry: A literature survey. *World Journal of social sciences vol2, No7 Nov.2012 Issue.Pp.1-8*

Kokemuller, N.(2014) *Differences between marketing a product and a service.* eHow.1999-2014 Demand media.Inc.http://www.ehow.com/info-7735977-diffrences –between-marketing-product-service.html

Kotler, P.(2000) *Marketing management*(10th edition), New York, Prentice Hall

Kotler, P. & Amstrong, G. (2001) *Principles of Marketing* (9th ed.) Prentice Hall International Inc, Upper Saddle River

Koufteros, X.A(1995) *Time based manufacturing: Developing a nomological network of constructs and instrument development* , Doctoral Dissertation, University of Toledo, OH.

in the Telecommunication sector in Kenya. *International Journal of management & business studies. IJMBS vol.2, Issue 3, July-Sept 2012*.http://www.ijmbs.com/23/solomon2.pdf

Li, S.,Ragu-Nathan,T.S &Kao, S.Subba(2006) The impact of supply chain management practices on competitive advantage and organizational performance .*Omega, 34(2)107-124.*

Lindgardt Z., Reeves, M., Stalk, G. &Deimler, M.S. (2009) *Business model innovation. When the game get tough, change the game.* Boston Consulting Group. http://www.dti.gov.uk/files/file39965.pdf

Lovelock, C., H., Vandermerwe, S., Lewis, B. &Fernie, S.(2011) *Service marketing.* Ediburg Business School, Heriot Watt University, United Kingdom. http:www. Ebsghobal.net/documents/course-tasters/English/pdf/h17se-bk-taster.pdf

Lounden,B.(2004) *Optimizing retail banking channels: building business on solid foundation.*IBM Services, Somers, USA.http://www.935.ibm.com/services/us/ima/pdf/ge510-625-banking-2015.pdf

Lynch, L.M.(2007) *The adoption and diffusion of organizational innovation: Evidence for the U.S Economy.*IZA DP250.2819 Discussion Paper No2819.ftp://ftp.zew.de/pub/zew-docs/dp/dp 07052.pdf

Maas P., Graf A. & Bieck C. (2008) Trust, Transparency and Technology: Customers' perspectives of Insurance and Innovation.IBM Corporation 2008,USA. http://www-935.Ibm.com/services/usgbs/bus/pdf/gbe03008-usen-02-Insurance3.pdf

Macaulay, L., Miles, I., Wilby, J., Tan, Y.L., Theodoulidis, B., Zhao, L.(2010) *Case studies in service innovation.* Centre for service research. Manchester business school, ISBN 987-0-9565994-1.http://www.ssmenetuk.org/dod service innovation-casebook-pre. Conference.pdf

Mallat, N., Dahlberg, T., Saarinen, T. and Tuunainen, V.K.(2001) *Efficient service production and consumer choice of delivery channels.* 14th Bled Electronic Commerce Conference. Bled, Slovenia, June 25-26, 2001.

No.11, pp.55-128

Mothe, C. (2012) *The impact of non-technological innovation on technological innovation.* JEL classification: L25, l80, 030,031,032. http://caroline-mothe.org/site%20web%20de

Munizu, M. (2013) The im pact of total quality management practices towards competitive advantage and organization performance. A case of fishery industry in South Sulawesi Province of Indonesia. Pak J. Commer Soc Sci. *Pakstan Journal of commerce and social sciences, 2013 vol.7(1), 184-197*

Munjuri, M., G. (2010) A survey of the criteria used by commercial banks in Kenya to determine employees to retrench. Kenya. *Doi:10.5430/ijba.v2n2p57.* http:uonbi.ac.ke/mercy-Gacheri/files/vol-2-no-2.pdf.

Mutai, K. B. (2000) *How to write quality research proposal.* Thelley publication, New York

Onwuegbuzie, A.J & Leed, N.A. (2006) Linking research questions to mixed method data analysis procedures. *The qualitative report volume II NUMBER 3 September 2006* 474-498. http://www.nova.edu/ssss/QRPR11-3/Onwuegbuzie

Naceur,S.B. & Kandil, M. (2002) *The impact of capital requirement on bank's cost of intermediation and performance.* A case of Egypt.htt://www.lefa-inec.com/so13/papers.cmf? abstract-id=904950

Ngugi, K. & Karina, B. (2013) *Effect of innovation strategy on performance of commercial banks in Kenya, International Journal of Social science and Entrepreneurship,* vol. 1, Issue 3, 2013, 1(3),158-170. http://www.ijsse.org/articles/ijssev_1-i3_158_170.pdf

Nunnally, J. (1978). *Psychometric Theory*. New York: McGraw- Hill.

Nunnaly, J.C. & Berneisten I, H. (1994) *Psychometric Theory* (3rd Ed). McGraw-Hill,New York

OECD (1998) *Human capital development: An international comparison-OECD-organization for Economic Co-operation and Development*. A centre for Educational Research and Innovation. Paris france,1998

OECD, Oslo Manual (2005) *Proposed guidelines for collecting and interpreting technological innovation data.* OECD Publishing, Paris.

Okey, A. (2007) Innovation types and innovation management practices in service companies.*International Journal of Operations and Productions management vol.27 No6,2007*

Publishers. Nairobi.

Owens, L. K. (2002) *Introduction to survey research design*. SRL Fall 2002 seminar series. http:// www.srl.uic.edu

Papulova, E. & Papulova, Z. (2006) *Competitive strategy and competitive advantages of small and medium sized manufacturing Enterprises in Slovakia.* Slovakia Comenius University, Slovakia.

Peppard, J. (2000) Customer Relationship management(CRM) in the financial services.*European Management Journal, 18(3), 312-327.*

Peters, T. & Waterman, R. (2004) *In search of excellence.* London: Profile Books Ltd

Philpott, K. & Doley, L. (2009) Channel innovation in the retail banking sector: Best practice initiatives, Customer-orientation and emerging strategic Foci. *International Journal of Arts and Sciences, 3(2):66-82(2009).CD-ROM, ISSN:1944-6934.*Internatinal Journal.org

Pitelis, C.N. (2009) *Edith Penrose's The Theory of Growth of the Firm Fifty Years Later.* University of Cambridge, UK. http://ssrn.com/abstract=1477885

Pfeffer, J. (2005) 'Producing sustainable competitive advantage through effective management of people.' *Academy of management executives. 2005 vol. 19. No.4* http://kimboal.battu.edu/selected %20writings/pfeffer%202005

Porter, M. E. (1985) *Competitive advantage.* Creating and sustaining competitive advantage. Free Press, New York. http://faculty.fugua.duke.edu.

Porter, M. (2012) *Strategic positioning in a challenging world: creating value.* Porter prize India Boston, MA/New-Delhi, India. http://www..isc.hbs.edu/pdf/2012-0928-porter-prize-india.pdf

Reed, R. & Defillipi, R. J. (1990) Causal ambiguity, barriers to imitation and sustainable competitive advantage. *The Academy of Management Review,15;(1);88-102*

Rekettye, G. (2009) *The connection between perceived service innovation, service value, emotional intelligence, customer commitment and loyalty in B2B:*The case of Orian, PHD programme, University of Precs, Hungary

Riddle, D. T. (2008) *Service innovation.* Service Growth Consultants. Inc 2008.http://www.servicegrowth.org/documents/service%20Innovation%20Q%26As.org

Reiney, D. L. (2005) *Product innovation: leading change through integrated product development.* Cambridge University Press. http://bilder. buecher. de/ zusatz/14/14726/14726794-rorw=1.pdf

Robinson, M. Sayer, D. and Pallister, I.(2007) *Banking on Innovation? The challenge for retail banks.*KPMG

Rumelt, R.P. (1991) How much does industry matter? *Strategic management Journal 12:167-182.*

Sachdeva, M. (2011) *Innovation in services and its measurement at firm level. A literature review.* Academia.com. http://www.academia.edu/1025338/innovation-in-services-and-its-measurement-at-firm-level-A-literature-review

Sebastiani, R. and Paiola, M.(2010) Rethinking service innovation:four patterns to evolution. *International Journal of Quality and Service Sciences vol.2, No.1, 2010, pp. 79-94*

Schumpeter, J.A.(1934) *The theory of economic development: An enquiry into profits, capital, credit, interest and the business cycle*. Cambridge Mass, Havard University Press.

Shaker, A. (2007) 'An innovative model of service development: A process guide for service managers.' *The innovation Journal: The public sector innovation Journal vol. 12(1), 2007 Article 4*. www.innovation.cc/volumes-issues/shaker-nsd02-2007 rev3.pdf

Sharma, S. Durand, R.M. & Gur-arie, O.(1991) *Identification and analysis of moderator variables.*http:spa.host.edu.CA/2008/uploadfile/2009-10/20091009101336190.pdf

Shqipe, G., Gadaf, R. and Veland, R.(2013) *Innovation strategies and competitive advantages.*http:www.mediawix.com/ugd/a836c-78d

Spong, K.(2000) *Banking regulation. Its purposes, implementation and effects.*5th edition.http://www.kc.frb.org/publicat/bankingregulation/regbooks2000.pdf

Stakes,R.(1998) *Case studies in strategies of quantitative inquiry*. Sage. California

Staw, B., M.&Epstein, L.,D.(2000) What bandwagons brings: effects of popular management techniques on corporate performance, reputation and CEO pay. *Administrative Science Quarterly.26,581-524.*

Stewart, L.A.(2010) *The impact of regulation on innovation in the United States: A cross-industry literature review.* Information &Technology Foundation. http://www.iom.edu/~media/files/Reports%20Files/2011/Health-IT/Commissioned-Paper-impact-of-Regulation-on-Innovation.pdf

Stakes, R.(1998) *Case studies in strategies of qualitative inquiry*.Sage, California

Swallow, D. (2007) *Sustaining competitive advantage through core competence strategies*. http://www.ctp.uk.com/uploaded/documents/Article%20sustaining%20competitive2 0%advantage%20through%20core%20competencies.pdf

Tan, C.L and Narsurdin, A.M.(2010) Human resource management practices and organizational innovation: An empirical study in Malaysia. *Journal of Applied Business Research. Vol.2, No.4:105-115*

Teece, D.J. (1986) *Profiting from Technological Innovation: Implications for integration, collaboration, licensing and public policy*. School of Business Administration, University of Calofornia, Berkeley, CA 94710, USA.

Thatte, A. A. (2007) *Competitive advantage of a firm through supply chain responsiveness and supply chain management practices.* University of Toledo.http://202.154.59.182/ejournal/files/thatte-

Thenasegaran, G. (2009) *Reliability and Validity issues in research*. University of Putra Malaysia. http://eco.upm.edu.my/research bulletin/article/vol%204%20march%20 2009/35-40%20Garnesh.pdf

Tidd, J. (2006) *A review of innovation models.* Discussion paper 1/1 Imperial College, London. http://kt.udlap.mix/projects/cudi/sipi/files/innovation%20models%20imperial %20college%20London.pdf

Tolentino, A(2000) *Labour management cooperation for productivity and competitiveness.* Geneva:ILO

Toner, P.(2011) *Workforce skills and innovation: An overview of major themes in the literature*. OECD Centre for industry and innovation studies. University of Western Sydney, Australia.http:www.oecd.org

Treacy, M. & Wiersema, F. (1993) 'Customer Intimacy and other value disciplines.' *Havard Business Review January-February 1993*. http://www.a30.be/materialen-en-links/images/dbimages/docs/treacywiersema.pdf

Treacy, M. &Wiersema, F. (1995) *The discipline of market leaders.* Perseus Books, Reading: MA

Tsai, M.T.(2010) Innovation capability and performance in Taiwanese science parks:Exploring the moderating effects of industrial cluster fabric. *The International Journal of Organizational Innovation. 2(4):80-103*

Valluri, P. (2011) *Role of alternative channels in banking and wealth management.* Finacle Infosys Limited. Banglarole, India. http://www.infosys.com/finacle.

Van der Aa,w. &Elfring, T.(2002) Realizing innovation in services; *Scandinavian Journal of Management, vol. 18NO.2 PP.155-171*

Verweire, K. & Revollo, J. E.(2009) *Sustaining competitive advantage through product leadership: How to achieve product leadership in service companies.* Research report. Flanders District Creativity. http://www.flandersdc.be/download/en/20082188/

Voss C.A.(1992) Measurement of innovation and design performance in service. *Design Management Journal, 3(1):40-46*

Voutsas, K. & Heinrich ,C. (2011) *Enhancing the banking customer value proposition through technology-led innovations.* Accenture 2011. http://www. accenture. com/sitecollectionDocuments/PDF/Acenture study-Banking tech-E-DE.pdf

Weiberg, G.M(1993) *Quality systems management*. Dorset house, New York.

Wingwon, B.(2012) Effects of entrepreneurship, organizational capability, strategic decision making and innovation towards the competitive advantage of SMEs enterprise. *Journal of Management and sustainability 2(1):137-150*

Wolfinbarger, M.F 7 Gilly, M.C.(2002) comQ: Dimensionalising, Measuring and Predicting Quality of the E-tail Experience. Working paper, Marketing Science Institute, Cambridge, M.A, 02-100

Yeasmin, S. & Rahman, K.F(2012) Triangulation research methods as the tool of social research. *BUP Journal Vol.1.Issue 1, September 2012, ISSBN2219-4851*.http://www.bup.edu.bd/jornal/154-163.pdf

Zaithaml, V.A, Parasuraman, A and Malhotra, A.(2000) Service quality delivery through web sites: a critical review of extant knowledge. *Journal of the academy of marketing science, vol. 30, No.4.pp362-75*