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## **The influence of digital capabilities on customer orientation of service employees (COSE) and its consequences on customer satisfaction and e-WOM within Family Businesses.**

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### **Purpose and objectives of the paper.**

Customer relations have become a key matter in services businesses daily activities. Due to the intangibility of services, the employee service performance is what customers perceive as the reflection of the service quality. Due to this fact, the customer orientation of front-line employees, primarily in services industry, plays a crucial role in getting positives/negatives results with regards to customer satisfaction. Customer orientation of service employees (COSE) is a key concept within marketing literature. It has been demonstrated by previous authors the positive effects that has in customer satisfaction and customer retention (Hennig-Thurau. 2004: Morales and Ruiz-Alba, 2018).

To clarify what these concept means, according to the previous authors (COSE) is defined as the characteristics of a service employee that: a) has the ability of identify, understand and satisfy customers' needs and b) acts to that end.

This concept is formed by four essential components: technical skills; social skills; motivation and decision-making authority.

At the same time, it is noteworthy to highlight the role that innovation, technology and digitalization play in the companies' strategies nowadays. The increase of digital technologies, leads to an improvement of service and business performance (Teece, 1997), affecting employees and customer's relationships (Setia, Venkatesh and Jogelkar, 2013).

The first aim of this paper, is to study the influence of employee's digital capabilities on COSE; on customer satisfaction and on electronic word of mouth (e-WOM).

E-WOM refers to interpersonal and informal communication about goods and services that have been consumed by a specific customer (Liu, 2006), and is placed as consequences of the model proposed. Two main types of businesses are studied: family businesses (FBs) and no

family businesses (NBs). This classification will be useful to study the possible differences between FBs and NFBs, as digitalization is considered one of the FBs principal objectives (IEF, 2018).

Thus, the introduction of digital capabilities, as an antecedent of COSE will lead us to test the extent to which digital capabilities can influence COSE, and how COSE affects customer satisfaction and e-WOM.

The following research questions are proposed:

RQ1: What is the influence of digital capabilities on COSE?

RQ2: How COSE influences customer satisfaction?

RQ3: How COSE influences e-WOM?

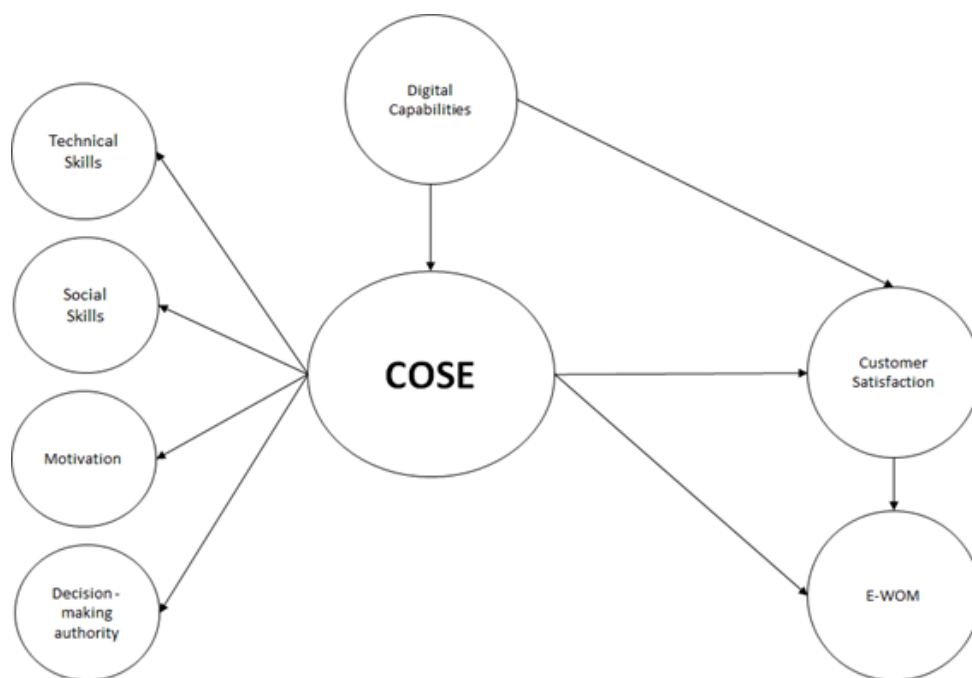
RQ4: How COSE influences customer satisfaction?

RQ5: Which is the difference between FBs and NFBs with regards to COSE?

RQ6: Which is the difference between FBs and NFBs with regards to digital capabilities?

### Originality - what is new about it?

With respect to this field, the studies that have been carried out up to the present, are related to the measure of COSE and possible consequences such as customer satisfaction, customer retention and commitment. However, little research has been conducted into other possible consequences of COSE, as it is e-WOM, or antecedents, as it is employee´s digital capabilities. Thus, there are some novelties to highlight in this paper. Firstly, it is the first time that digital capabilities are incorporated in the COSE model proposed by Hennig-Thurau (2004).



Source: Own elaboration adapted from Hennig-Thurau (2004).

Secondly, it is also de first time that the effect of COSE on e-WOM is empirically tested, and never before have been measure all these variables differentiating between FBs and NFBs.

### **Research methodology**

A total of 225 responses were obtained from customers of hotels from the Costa de Sol (South of Spain). The hotels were taken from a database from Red de Catedras de Empresa Familiar de Andalucía completed by the Iberic Balance Analysis System (SABI), differentiating by the criteria of FBs and NFBs. The scales used to collect data are, customer satisfaction (Oliver, 1980), e-WOM (Karjaluoto, Munnukka, Kiuru, 2016), COSE (Hennig-Thurau, 2004), digital capabilities (Hassan and Ryder, 2018) and (Westerman et al., 2014).

### **Expected Findings and discussion.**

This study is a work in progress, consequently, there are no findings yet. However, the expected findings are expected to be under the premise of how digital capabilities can have a positive influence on COSE, and how COSE impact on e-WOM. With respect to the literature previously studied, we expect a positive effect of COSE and digital capabilities, on customer satisfaction and e-WOM.

### **Theoretical and practical implications.**

The implications of studying these variables are noticeable. These can be useful to enrich more the family business research area, and to help family business to see the utility of implementing digitalization in their organizational structures to improve their performance. Likewise, it is also noteworthy to highlight the importance of the consequences that have the implementation of these policies on the business structure such as gaining flexibility, training, getting easily the customer perspective and, furthermore, in a sector highly competitive as it is hospitality, with every time more and more digital environment.

### **Research limitations.**

There are some research limitations necessarily to be remarked. Firstly, the study only pays attention to hospitality industry, whereas there are many others industries to research. Secondly, focusing the study only on the Costa del Sol, lead us a limitation to generalise the results to other areas or countries with other different business structure and customer behaviour.

### **Conclusions.**

Several conclusions could be stranded out. On the one hand, for the academia, there are expected conclusions of opening the research field of family business in a new investigation area and new variables that never have been studied together before that can enrich the debate.

On the other hand, for practitioners, new ways of satisfying customers' needs have been exposed, that could substantially organizational structures to make them more efficient (digital capabilities) customer focused (COSE) and improving business performance (e-WOM and customer satisfaction).

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