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Abstract

This paper explores the implementation of servitization from the viewpoint of servitized firms in the Spanish pharmaceutical industry. A quantitative research strategy was used to investigate: (1) servitization motives (quest for profitability, competitive advantage and loyalty), (2) services levels (base, intermediate and advanced), (3) effects on servitization and (4) impact on performance. Data analysis included 219 valid questionnaires treated with EFA and CFA. Main findings indicated that: (a) advanced services were implemented to foster loyalty, profitability and competitive advantage, showing a significant and positive effect on servitization and an indirect effect on performance; (b) intermediate services were used for loyalty and profitability, showing no relationship with servitization and a direct impact on performance; (c) base services were selected to develop profitability, but harvested no improvements in servitization or performance.

Keywords: servitization; performance; pharmaceutical industry

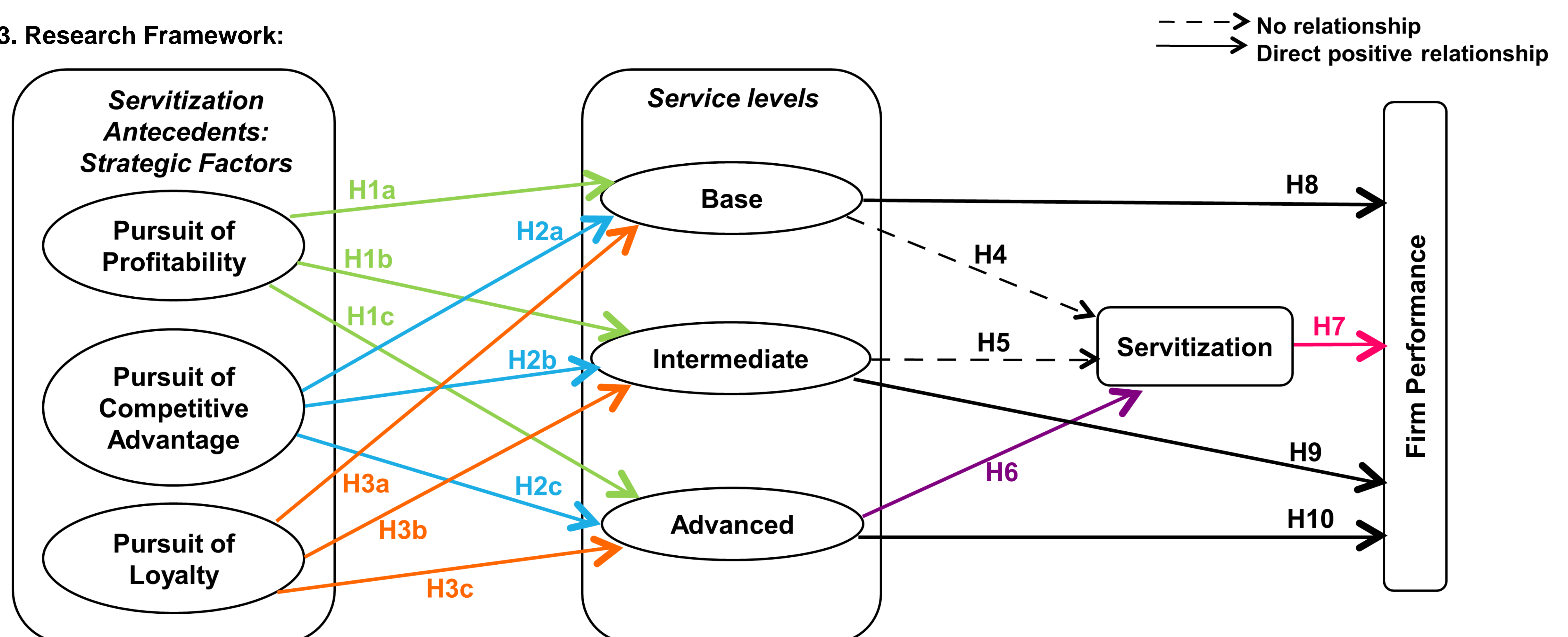
1. Purpose:

This research investigates the different motives for triggering the servitization strategy, as reflected on the complexity of the service that firms bundle together with their product and at the implications from doing so for company performance.

2. Literature review:

The empirical research on servitization remains oddly slim mainly through case studies. Moreover, only a few studies empirically test the implications for the company's performance, albeit some empirical evidence that relate servitization with the manufacturer's ability to generate more value for the customer (e.g., Guajardo et al., 2011; Visnjic & Van Looy, 2013) but not always (e.g., Neely, 2008; Suarez et al., 2013).

3. Research Framework:



4. Main Findings:

- Advanced services are adopted to foster loyalty, profitability and competitive advantage, showing an indirect impact on performance through servitization;
- Intermediate services are adopted to foster loyalty and profitability, exhibiting no relationship with servitization and a direct impact on performance;
- Base services are selected in order to develop profitability, but produce no improvements in processes, capabilities or performance.

5. Main Contributions:

Theoretical contributions:

- 1) the support of the literature regarding the impact of advanced services on servitization and 2) on performance.

Managerial implications can also be summarized:

- 1) recommendation to develop advanced services,
- 2) monitor servitization (due to their mediating effect) and
- 3) caution in the use of base services (no impact on performance).

6. Suggestions for future research:

- 1) conduct studies and apply the suggested research framework in other sectors,
- 2) in other countries,
- 3) with supply chain collaboration and
- 4) with IMO research.

References

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