



Article

Service Providers and Evaluating Them Based on Service Quality, Value Proposition, Customer Experience, Brand Equity, and Agility Indicators

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Abstract: This paper identifies a structured system of factors that shape the competitiveness of service providers and proposes an assessment methodology based on five integrated indicator blocks: service quality, value proposition, customer experience, brand equity, and speed/responsiveness. The theoretical foundation draws on service-dominant logic, the service-profit chain, resource-based theory, and brand equity frameworks. An operational measurement model is developed using survey scales (Likert), operational metrics (waiting time, response speed, fulfillment lead time), and market-outcome proxies (repurchase intention, recommendation likelihood). The "Results" section provides tables and conceptual figures: a macro-meso-micro factor matrix, an indicator catalog, an index computation workflow, and illustrative PLS-SEM/SEM outputs. The paper concludes with actionable guidance for prioritizing key competitiveness drivers and establishing a transparent, replicable monitoring system.

Keywords: Competitiveness, Service Quality, Value Proposition, Customer Experience, Brand Equity, Responsiveness, Composite Index, PLS-SEM, Service Management.

1. Introduction

In the service economy, competition is more about experience, trust, time, and brand than about "price." The value of a service to a customer is often not as "visible" as that of a product: it is formed during the process (waiting, communication, error correction, support) [1]. Therefore, when determining the competitiveness of service providers, it is necessary to look at several "layers" at once: what is the quality of the service, what kind of experience the customer receives, how much trust is in the brand, what value proposition does the company provide, and most importantly, is the service performed quickly and consistently? [2].

In the theoretical literature, service market dominance is often explained by resources and competencies (people, processes, technology, brand) [3]. The mechanism by which service becomes an economic result is explained by the "service-profit chain": internal service quality → employee satisfaction → service value → customer satisfaction/loyalty → revenue and growth [4]. However, the problem in practical management is that companies often evaluate competitiveness only by financial indicators; whereas financial results are a lagging indicator, behind which are "early warning" indicators such as service quality, value, and experience.

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The purpose of this article is to develop a system of factors (factor map) that determines the competitiveness of service providers and propose a methodology for assessing it based on 5 indicator blocks:

1. Quality,
2. Value proposition (value proposition / perceived value),
3. Customer experience,
4. Brand equity (brand equity),
5. Speed (speed/responsiveness).

The article provides an integration of theoretical approaches, then proposes an operational model (measurement and calculation protocol), and demonstrates practical application through tables and conceptual drawings in the "Results" section.

2. Materials and Methods

1. Defining the concept of competitiveness in the context of services

In the classical competitive strategy literature, advantage is often explained by cost leadership or differentiation [5]. In the service market, differentiation is more based on experience and trust: service "production" and "consumption" occur simultaneously, and the result is often subjectively evaluated. The service-dominant logic places service at the center of value creation: value is not "delivered" by the company, but is co-created with the customer [6]. Therefore, when measuring competitiveness, it is necessary to include not only internal processes, but also customer perceptions.

The resource-based approach (RBV) is particularly important for services: unique competencies (employee culture, service design, IT platform, brand) provide a competitive advantage [3]. Brand equity is seen as the "translation" of these resources into the market: brand recognition, associations, perceived quality, and loyalty can bring a company a price premium, lower marketing costs, and higher repurchases [7].

2. Service quality: SERVQUAL/SERVPERF and modern interpretation

To measure service quality is SERVQUAL is used, which assesses the gap between customer expectations and perceptions [8]. In practice, however, it may sometimes be more convenient to assess only perceived performance (SERVPERF); the choice depends on the research objective and the availability of data [8]. Typical dimensions of service quality include: reliability, responsiveness, assurance, empathy, and tangibles.

An important point: service quality consists of "internal" (performance according to standards) and "external" (customer perception) components. Therefore, in this article, the service quality block is formed from two sources:

- Questionnaire (customer perception),
- Operational metrics (number of errors, processing rate, complaint resolution time).

3. Value proposition: not "price", but "value/benefit-cost" ratio

According to the concept of perceived value, the customer derives value by comparing the benefits (quality, emotional benefit, convenience) and costs (money, time, risk, stress) received from the service [9]. Therefore, increasing competitiveness is not only about improving service quality, but also:

- Increase value (increase profit),
- It is also achieved by reducing costs (reducing time, complexity, uncertainty).

When measuring the value proposition, it is recommended to separate the "utilitarian" (speed, convenience, results) and "emotional" (attention, security, status) components of the service package.

4. An end-to-end measurement of the process

Customer experience (CX) is the overall impression a customer has of a company across all touchpoints (search, purchase, use, support). The experience economy literature emphasizes that companies create value through experience design [10]. Practical indicators in measuring CX include: process simplicity, clear communication, problem resolution, emotional satisfaction, “effort” (the effort expended by the customer), and others.

The likelihood of recommendation (NPS) is used as a quick proxy for CX, but it cannot be considered as the only absolute indicator; it acts more as a “signal.” [11]. For this reason, the CX block is evaluated using a multi-item scale, and NPS is included only as an additional indicator.

5. Brand equity: intangible assets of competitiveness

In the concept of brand equity, the value of a brand (brand equity) is formed through associations and loyalty in the minds of customers [7]. Keller defines brand equity as “consumer-based brand equity”: knowledge and associations about a brand change the marketing response [12]. In the service market, brand equity is especially important because the customer cannot fully test the service in advance; the brand acts as a “risk-reducing signal”.

When measuring brand equity:

- Brand awareness,
- Perceived quality,
- Associations (trust, innovation, honesty),
- Loyalty,
- Indicators are used.

6. Speed: the “time” factor in service competition

Responsiveness/speed is an important differentiator of the service process, and the concept of “time competition” suggests that faster execution, faster response, and faster delivery are advantageous [13]. Responsiveness in service is not just about being “fast,” but also:

- Stable speed (low variation),
- quick response to the problem,
- queue/wait management,
- “First-contact resolution”.

7. Research methods: measurement model + integrated assessment

This article proposes two alternative methodologies:

A. Composite Competitiveness Index (CCI):

The 5 block indicators are normalized (0–100), then weighted (equal, expert, or PLS weights) to produce an overall index [OECD, 2008, 36–41].

B. Structural equation modeling (SEM or PLS-SEM):

Latent constructs (Quality, Value, Experience, Brand, Speed) are measured, and then their effects on proxies of competitiveness (loyalty, repurchase, share, revenue) are estimated. PLS-SEM is practical for small samples and predictive purposes [14].

The “Results” section of this article provides illustrative calculations to demonstrate the methodology. In a real study, the tables would be recalculated with the actual data you collected.

3. Results

Below is a competitiveness assessment model based on 5 indicator blocks, a calculation algorithm, and sample results.

Table 1. System of competitiveness factors (macro-meso-micro).

| Level | Group of factors | Sample factors | Measurement source | Note |
|-------|---------------------------|----------------------------------------------------|---------------------------|---------------------------|
| Macro | Institute and environment | regulation, infrastructure, digital coverage | official statistics/proxy | control variables |
| Meso | Network structure | intensity of competition, quality of partners | network analysis | Comparison of subjects |
| Micro | Service quality | credibility, empathy, tangibles | survey + operational | SERVQUAL/S ERVPERF [8] |
| Micro | Value proposition | "profit-cost" balance | survey | perceived value [9] |
| Micro | Customer experience | effort, process simplicity, emotional satisfaction | survey + NPS | experimental design [10] |
| Micro | Brand equity | awareness, association, loyalty | survey + market proxy | [7] |
| Micro | Speed | latency, response rate, FCR | operational KPI | competition for time [13] |

Table 2. Operationalization of 5 indicator blocks (indicator catalog).

| Block | Sub-indicators (sample) | Scale/Formula | Normalization (0–100) |
|--------------------------|------------------------------------------------------------|---------------------------------------|--------------------------------------|
| Service Quality (SQ) | reliability, response speed, empathy, guarantee, tangibles | Likert 1–5; complaint resolution time | min-max or $z \rightarrow 0–100$ |
| Value Proposition (VP) | price fairness, value for money, convenience, risk | Likert 1–5 | 0–100 |
| Customer Experience (CX) | process simplicity, effort, communication, problem solving | Likert 1–5 + NPS | 0–100 |
| Brand equity (BE) | awareness, trust, association, loyalty | Likert 1–5 | 0–100 |
| Speed (SP) | latency (p50/p90), response SLA, FCR | KPI (minutes, %) | "reverse" (less time = higher score) |

Table 3. Questionnaire items (short) and measurement model.

| Construct | Item (sample statement) | Source concept |
|-----------|-----------------------------------------------------------------------|----------------|
| SQ | "Service was delivered as promised."; "Employees inspire confidence." | SERVQUAL [8] |

| | | |
|---------------------------|------------------------------------------------------------------------|---------------------|
| VP | "I got what I paid for"; "It was worth the time I spent." | Perceived value [9] |
| CX | "The process was clear and easy.";"The problem was resolved quickly." | Experiment [10] |
| BE | "I trust the brand.";"I recommend it to others." | Brand equity [12] |
| Competition result (COMP) | "I have high repurchase intention"; "I am likely to recommend (0-10)." | Loyalty/NPS [11] |

Table 4. Composite Index (CCI) calculation formula (suggested).

CCI quyidagicha hisoblanadi:

$$CCI_i = w_{SQ}SQ_i + w_{VP}VP_i + w_{CX}CX_i + w_{BE}BE_i + w_{SP}SP_i,$$

bu yerda $\sum w = 1$. Amaliy boshlang'ich bosqichda teng vazn (har biri 0.20) qo'llanib, keyin ekspert yoki PLS og'irliklariga o'tiladi [OECD, 2008, 41-45].

| Weight type | When is it appropriate? | Advantage | Danger |
|---------------|-----------------------------------|---------------------|------------------------------------------------------|
| Equal weight | quick start monitoring | simple, transparent | The real impact difference is not taken into account |
| Expert weight | have industry experience | contextual | subjectivity |
| PLS weight | An empirical prediction is needed | data-driven | sensitive to the sample |

Table 5. Sample (illustrative) index results: across 4 service entities.

The following figures are provided as an example to illustrate the methodology.

| Subject | SQ | VP | CX | BE | SP | CCI (equal weight) | Strength | Weakness |
|---------|----|----|----|----|----|--------------------|----------------------|-------------|
| A | 78 | 72 | 75 | 80 | 60 | 73.0 | brand, quality | speed |
| B | 70 | 68 | 62 | 55 | 85 | 68.0 | speed | brand |
| C | 82 | 76 | 80 | 65 | 70 | 74.6 | CX, quality | brand |
| D | 60 | 58 | 55 | 50 | 65 | 57.6 | The speed is average | quality, CX |

Table 6. Sample model results for SEM/PLS-SEM (path coefficients).

| Path | β | Note |
|-----------|---------|---------------------------------------------------|
| SQ → CX | 0.42 | quality strongly enhances CX |
| SP → CX | 0.30 | Agility has a significant impact on CX |
| BE → VP | 0.28 | raises brand value perception |
| SQ → VP | 0.33 | Quality increases the sense of value |
| CX → COMP | 0.45 | Experience is the strongest predictor of loyalty. |
| VP → COMP | 0.31 | The value proposition is also important |

| | | |
|-----------|------|---------------------------|
| BE → COMP | 0.14 | brand direct, but smaller |
|-----------|------|---------------------------|

Indicators that are logically consistent with typical service research are given; in real research, they are estimated based on bootstrap [14].

Interpretation: the competitive outcome (COMP) is driven more by CX and VP; CX is driven by SQ and SP. This is consistent with the logic of the service benefit chain [4].

Table 7. Measurement reliability and validity (sample).

| Construct | Cronbach α | CR | AVE | Short summary |
|-----------|-------------------|------|------|---------------|
| SQ | 0.88 | 0.91 | 0.56 | reliable |
| VP | 0.84 | 0.89 | 0.58 | reliable |
| CX | 0.90 | 0.93 | 0.62 | very good |
| BE | 0.86 | 0.90 | 0.55 | reliable |
| COMP | 0.80 | 0.87 | 0.58 | satisfactory |

In PLS-SEM practice, decisions are made on α , CR, and AVE thresholds [14].

4. Discussion

1. Defining the system of factors: macro–meso–micro logic

The competitiveness of a service entity is a multi- level system:

- Macro factors: institutions, regulation, infrastructure, income level, digitalization environment.
- Meso factors: industry competition, clusters, supply chain, partner ecosystem.
- Micro factors: internal resources (employee, IT, process), service design, brand, and CX.

In practical evaluations, only micro factors are often measured (questionnaires, process metrics). However, if macro and meso factors are not controlled for, comparisons between subjects may be unfair. Therefore, it is recommended that macro/meso factors be included as control variables in the index (or SEM) [5].

2. The need to distinguish between “quality of service” and “customer experience.”

Many practices, CX, and service quality are confused. Methodological difference:

- service quality – more “service attributes” (reliability, response speed, errors),
- CX is the “end-to-end emotional and cognitive experience” (process simplicity, trust, attention, effort).

CX can temporarily appear high with “marketing” even in poor quality service, but in the long run, loyalty decreases. Therefore, in the modeling, CX and quality are considered separate latent constructs, and their impact on value proposition and loyalty is examined [4].

3. Brand equity: a “signal” and “risk-mitigating” mechanism

Brand equity is particularly strong in services because the customer does not know the outcome before the service. Brand:

- Signals quality,
- Reduces risk,
- Reduces price sensitivity,
- “Reinforces” a positive experience [12].

In the model, brand equity can directly affect competitiveness, as well as act as a mediator between CX and value perception.

4. Speed: the triad of "speed-stability-accuracy."

Measuring speed by average time alone is not enough. Variation (spread) in service is also important:

- An average of 10 minutes, but sometimes up to 40 minutes;
- Fast, but with many errors, rework, and complaints increase.

Therefore, the speed block is composed of 3 groups of indicators: (i) time (mean), (ii) stability (std/percentile), and (iii) first-time solution (FCR).

5. The advantage of integrated assessment

Individual indicators (for example, just NPS) may "look good", but if the quality of service or speed is poor, competitiveness will be eroded in the long run. Integration (block 5) allows the company to:

- Find the root of the problem,
- Prioritizing resources,

Allows for the systematization of monitoring [15].

5. Conclusion

This article proposes a system of factors and a 5-block indicator model for assessing the competitiveness of service providers. Main scientific and practical conclusions:

1. Competitiveness in the services market is multi-layered: while there are macro and meso environmental influences, at the micro level, service quality, value proposition, customer experience, brand equity, and agility are the most important controllable factors.
2. are the "operational drivers" that shape CX; CX and value proposition are more strongly predictive of competitive outcomes such as loyalty/recommendation. This is consistent with the logic of the service-profit chain [Heskett et al., 1994, 165–172].
3. Relying on a single indicator (only NPS or only complaints) in the assessment is not recommended. The integration of 5 blocks clearly answers the question "which link is broken?" and helps to prioritize resources.
4. For practical monitoring, the composite index (CCI) is a fast and transparent solution; for scientific analysis and causality testing, SEM/PLS-SEM is suitable [Hair et al., 2019, 7–12].
5. In both approaches, the measurement protocol (codebook), normalization, weighting logic, data quality checks, and requirements for reproducibility of results (replication) must be strictly documented [OECD, 2008, 36–45].

Practical recommendation (short): if CCI is low, first stabilize "speed + quality" (process); then improve CX design (touchpoints) and value proposition (package/communication); in parallel, strengthen brand equity through trust, assurance, and social proof.

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