

IRSTI 06.71.01

<sup>1</sup>Brauweiler Hans-Christian, <sup>2</sup>Mukhtarova K., <sup>3</sup>Yerimpasheva A.

<sup>1</sup>Doctor of economic sciences, professor, The «Accounting, Controlling and Audit» chair, University of Applied Sciences, Zwickau, Germany, e-mail: christian.brauweiler@fh-zwickau.de

<sup>2</sup>Doctor of economic sciences, professor, The “International relations and the world economy” chair, al-Farabi Kazakh National university, Almaty, Kazakhstan, e-mail: kmukhtarova@rambler.ru

<sup>3</sup>Candidate of economic sciences, associate professor of the “International relations and the world economy” chair, al-Farabi Kazakh National university, Almaty, Kazakhstan, e-mail: aida.zakirova@kaznu.kz

## Development of the service economy in Kazakhstan

The modern world is an integrated universal network of various world markets. The rapid development of the service sector is a distinctive trend of the global economy. All the evidence suggests that a specific economic model, the economy of services is formed. The purpose of the study is critically analyse theories in relation to servitization processes that take place in the world and the republic of Kazakhstan. Studying of world trends and tendencies would help to enhance the Kazakhstani economy. It is used time-series analysis of the gross domestic product's (GDP) structure and noted that developed and developing countries differ in terms of the GDP structure. Despite of the high level of the service sector's proportion in the structure of the Kazakhstan's GDP, the share of investments in the sector is declining. The implemented study has recognized problems the Kazakhstani economy faces. Directions to improve the current situation are suggested.

**Key words:** servitization, service economy, service sector, productivity of service, innovation in services, “service know-how”.

<sup>1</sup>Браувайлер Х.-К., <sup>2</sup>Мұхтарова Қ.С., <sup>3</sup>Еримпашева А.

<sup>1</sup>Экономика ғылымдарының докторы, профессор, «Бухгалтерлік есеп, бақылау және аудит» кафедрасы, Қолданбалы ғылымдарының университеті, Цвиккау қ., Германия, e-mail: christian.brauweiler@fh-zwickau.de

<sup>2</sup>Экономика ғылымдарының докторы, профессор, «Халықаралық қатынастар және әлем экономика» кафедрасы, Өл-Фараби атындағы ҚазҰУ, Алматы қ., Қазақстан, e-mail: kmukhtarova@rambler.ru

<sup>3</sup>Экономика ғылымдарының кандидаты, «Халықаралық қатынастар және әлем экономика» кафедрасының доценті, Өл-Фараби атындағы ҚазҰУ, Алматы қ., Қазақстан, e-mail: aida.zakirova@kaznu.kz

## Қазақстандағы қызмет көрсету экономикасы

Заманауи әлем – түрлі әлемдік нарықтардың интеграцияланған әмбебеп желісі болып табылады. Қызмет көрсету саласының қарқынды дамуы әлемдік экономиканың ерекше үрдісі болып табылады. Осының бәрі сервистік экономика немесе қызметтер экономикасы деп аталатын жаңа экономикалық модельдің қалыптасқанын көрсетеді. Жүргізілген зерттеудің мақсаты Қазақстан Республикасында және әлемде болып жатқан сервитизация процестеріне қатысты теорияларды сыни талдау болып табылады. Әлемдік трендтер мен тенденцияларды зерделеу қазақстандық экономиканың дамуын қажетті арнаға бағыттауға көмектеседі. Зерттеуде жалпы ішкі өнімнің (ЖІӨ) құрылымының уақытша талдау әдісі қолданылды және дамыған және дамушы елдер ЖІӨ құрылымы бойынша ерекшеленеді деген қорытынды жасалды. Қазақстандық ЖІӨ құрылымындағы қызмет көрсету саласының үлесі айтарлықтай жоғары деңгейде болуына қарамастан; сектордағы инвестициялар үлесі қысқаруда. Жүргізілген зерттеу қазақстандық экономикада кездесетін проблемаларды анықтады және олардың нәтижелері бойынша ағымдағы жағдайды жақсарту үшін бағыттар ұсынылды.

**Түйін сөздер:** сервитизациялау, сервистік экономика, қызмет көрсету саласы, сервистің өнімділігі, сервистік инновациялар, «сервистік ноу-хау».

<sup>1</sup>Браувайлер Х.-К., <sup>2</sup>Мухтарова К.С., <sup>3</sup>Еримпашева А.

<sup>1</sup>Доктор экономических наук, профессор, Кафедра «Учет, контроль и аудит»,  
Университет прикладных наук, г. Цвиккау, Германия, e-mail: christian.brauweiler@fh-zwickau.de  
<sup>2</sup>Доктор экономических наук, профессор, Кафедра «Международные отношения и мировая экономика»,  
Казахский национальный университет им. аль-Фараби, г. Алматы, Казахстан, e-mail: kmukhtarova@rambler.ru  
<sup>3</sup>к.э.н, доцент кафедры «Международные отношения и мировая экономика»,  
Казахский национальный университет им. аль-Фараби, г. Алматы, Казахстан, e-mail: aida.zakirova@kaznu.kz

## Развитие сервисной экономики в Республике Казахстан

Современный мир представляет собой интегрированную универсальную сеть различных мировых рынков. Бурное развитие сферы услуг является отличительной тенденцией мировой экономики. Все это безусловно говорит о формировании новой экономической модели, так называемой сервисной экономике или экономике услуг. Целью проведенного исследования является критический анализ теорий процессов сервитизации, которые происходят в мире и Республике Казахстан. Изучение трендов структурных изменений экономик мира способствует правильному выбору направления казахстанской экономики в соответствии с мировыми тенденциями. В исследовании использовался метод анализа временных рядов структуры валового внутреннего продукта (ВВП) и сделан вывод, что развитые и развивающиеся страны различаются по структуре валового внутреннего продукта. Несмотря на то, что доля сферы услуг в структуре казахстанского ВВП находится на достаточно высоком уровне, доля инвестиций в сектор сокращается. Проведенное исследование выявило проблемы, с которыми сталкивается казахстанская экономика, и по их результатам предложены направления для улучшения текущей ситуации.

**Ключевые слова:** сервитизация, сервисная экономика, сфера услуг, производительность сервисных услуг, структурные изменения, инновации услуг.

### Introduction

The modern world is an integrated, unified network of various world markets, where goods, money and information easily are moving on needs and comparative attractiveness. All this creates a surprisingly wide range of decision making for global consumers. Most of the developed countries of the world are actively developing new technical and technological economic structures, the basis of which are intellectual products, high technology and a developed industry of various services. The service sector in such countries is developing dynamically and initiates not only high employment of the population, but new types of business activity. It is generally agreed, that the service economy is focused on consumer needs, involves consumers in the process of providing the service and over-employment in the service sectors and servitization

are the main features of the service economy. In the 21st century, the development and implementation of service innovation technologies have become key factors of market competition, a powerful means of increasing business efficiency and improvement of the goods' quality.

Services contribute to the social orientation of the economy, improving living standards. In advanced countries, the share of services in GDP exceeds the level of 60-70%. In the services sector majority of knowledge workers and highly qualified personnel are concentrated. This applies primarily to science, education, health, telecommunications, computer, engineering services, the finance industry, and public relations.

The structure of the GDP of the world's countries in the context of industry, agriculture and the service sector is presented in Figure 1.

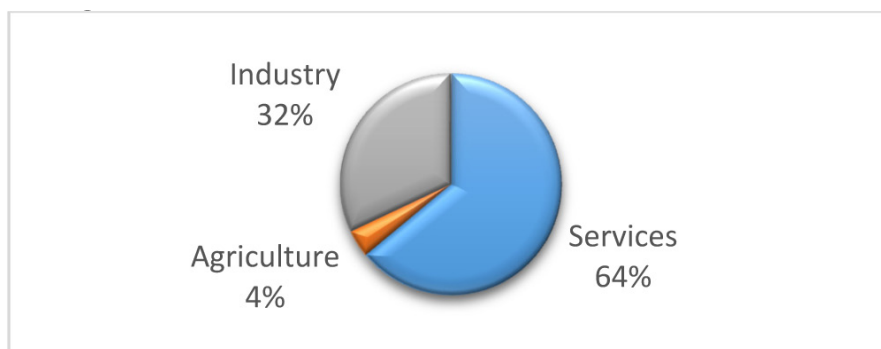


Figure 1. GDP structure of countries in 2008 (CIA, 2008)

In Kazakhstan, the production of services is steadily growing and amounts to more than 60% of GDP (Table 1). The production of services is influenced by the economic mechanism of social development, scale of social production, the complexity of its sectoral structure, the process of deepening specialization and co-operation in industry, the quantity and quality of products manufactured and consumed in society.

The widespread provision of services becomes the main factor determining the effective functioning of production and circulation. This is a new direction in the country's economy, indicating a beginning, more progressive stage of its development.

**Materials and Methods.** In this article there are methods of statistical, logical, and comparative analysis, as well as methods of economic processing and grouping of data used. The purpose is critically analyse theories in relation to servitization processes. The latest statistics provided by the World Bank and Kazakhstani statistics committee is used. This article includes comprehensive information and theories of various authors and sources.

The study of the dynamics of GDP and its structure among countries allowed to analyze the structural changes that take place in the world's economies and to find out reasons of these changes.

An important point in the analysis of the servitization processes of the Kazakhstani economy was the identification of the most important reasons hindering this process.

The results of the analysis allow revealing the reasons for minor structural changes of the Kazakhstani economy in the period from 2010 to

2017 in terms of GDP. In the process of economic analysis the method of deduction is used.

**Literature review.** Massive growth of service industries in the last decades and interest in service innovation show the importance of renewed interest in research and policy (Brauweiler, 2002; Miles, 2011). The rapid development of the service sector is a characteristic trend in the development of the modern economy (Brauweiler, 2008). All this should certainly lead to forming a specific economic model, namely, the economy of services. Plotnikov and Volkova (2014) state that "essential distinguishing feature is the prevalence of the service sector as a component in value added structure." However, it is important to note that developed and developing countries have different conditions to form a service economy. The different share of the services sector in the countries' GDP evidences it. Taking into account the forthcoming structural changes, an appropriate state policy and business strategy are necessary to develop (Brauweiler, Kalinina, and Zadorozhneva, 2015). At the same time, it is necessary to take into account the specifics of the service sector in the industry, and in the country in general. However, services do not only account for a substantial part of GDP, but they are also becoming the basis for a competitive advantage for many firms (Grönroos, 1988). Further, he states that a competitive advantage can be developed by managing these services well. Implementing a service strategy requires a new "service know-how". Until the 1990s, it was rare to find researchers and policymakers taking service innovation seriously.

Let us consider World Bank information (2019) presented in Table 1.

**Table 1.** Changes in GDP structure among countries, percentage

Countries	Gross Domestic Product, \$ billions		Agriculture (% of GDP)		Industry (% of GDP)		Manufacturing, (% of GDP)		Services, value added (% of GDP)		
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	D
World	65,956.7	80,683.8	4	4	27	25	16	16	63.3	65.1	1,8
Kazakhstan	148	159.4	5	4	41	32	11	11	51.7	57.4	5,7
Russian Federation	1,524.9	1,577.5	3	4	30	30	13	12	53.1	56.2	3,1
China	6,100.6	12,237.7	10	8	46	40	32	29	44.1	51.6	7,5
Germany	3,417.1	3,677.4	1	1	27	28	20	21	62.2	61.9	-0,3
France	2,642.6	2,582.5	2	2	18	17	10	10	70.7	70.2	-0,5
United States	14,964.4	19,390.6	1	1	20	19	12	12	76.0	77.0	1

Source: (World Bank, 2019)

Jochen Wirtz, Sven Tuzovic, and Michael Ehret (2015) prove that “business services explain a large share of the growth of the global service economy. The fast growth of business services coincides with shifts from domestic production toward global outsourcing of services”.

Sang-Chul Yoon (2018) claims that productivity in the production of service sector is increasing due to digitally empowered expanding variety of intermediate innovative services. Moreover, innovation in services in turn is the driving force of economic growth. From this point of view, the findings of Jochen Wirtz and Michael Ehret should be taken into account in developing countries. They state, that business services are the major driver of the service economy. In this case, organizations focus on core competencies and outsource non-core activities. This in turn drives the specialization and enhanced productivity of economies (Wirtz, Ehret, 2009).

In general, in the world the service sector proportions in the structure of GDP for 2017 is 65.1%, while in 2010 this indicator was equal to 63.3%. The same changes are typical for such countries as Kazakhstan, Russia, China, and the USA. At the same time, significant structural changes take place in China. Thus, the growth of the services share in GDP for 7 years is 7.5 percent. The Kazakhstani figure is 5.7 percent.

Some in-depth analysis of the economy of the Russian Federation, on the one hand on its own by Kurchenkov, Brauweiler, Ponomareva, (2018) and by Kurchenkov, Fetisova, Orlova, Gladkaya, on the other hand in comparison to Germany, by Brauweiler, Ponomareva, Shevandrin (2018) has been undertaken and shows similar results to the findings depicted here.

Table 1 proves that in the present world, services are the main economic sector in advanced countries. High service share is peculiar to developed countries such as the USA, Germany and France as 77.0, 70.2, and 61.9 respectively in 2017. The United States are rightly considered as a country with a strong service economy. Another source states that in the USA more than 75% of the workforce is involved in the service sector.

65.1% of the world's GDP is the contribution of the service sector (World Bank, 2019). In this case, the end user consumes 60% of services (Service marketing, 2018). At the same time, because of the comparative advantage the United States use outsourcing from countries such as India and China.

Table 2 is presenting changes in GDP structure among low income, lower middle income, upper middle income, and high-income countries.

**Table 2.** Changes in GDP structure among countries, percentage

Countries by category	Gross Domestic Product, \$ billions		Agriculture (% of GDP)		Industry (% of GDP)		Manufacturing (% of GDP)		Services, value added (% of GDP)	
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
World	65,956.7	80,683.8	4	4	27	25	16	16	63.3	65.1
Low income	384.8	549.7	28	26	22	30	8	9	39.7	39.2
Lower middle income	4,491.5	6,504.2	17	15	31	28	16	16	46.8	49.6
Upper middle income	15,362.4	22,168.4	7	6	38	33	21	21	50.0	55.6
High income	45,719.3	51,475.4	1	1	24	23	14	14	68.9	69.6
Source: (World Bank, 2019)										

There can be no doubt that service economy has emerged as a new economic model. Services presented in Tables include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health

care, and real estate services. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs (World Bank, 2019). Its essential distinguishing feature is the prevalence of the service sector as a component in value added structure.

Plotnikov and Volkova (2014, p. 19) claim that "...changes do not only affect economic relations, but also the society at large, influencing income structure and distribution, rates of economic growth in various areas, how much in demand certain skills and jobs are, structural adjustments to be made to the educational system, etc".

Christian Grönroos (1988), Javier Reynoso (2009), Jochen Wirtz, Sven Tuzovic, Michael Ehret, (2009, 2015), Sang-Chul Yoon, (2018) are founders of the service economy theory; they conducted comprehensive analysis on the service economy's specifics in various countries. All these analysis concerned to consider the developed countries. The specifics of service economy for the developing countries as Russia Plotnikov and Volkova (2014) sufficiently have looked out.

Plotnikov and Volkova argue that the growing service sphere becomes one of the main trends in modern world. Both the developed and the developing countries are moving on the way of servitization. Despite differences, the general trend is the same for all countries of the world.

**Results and Discussion.** Because of globalization processes, many economies have become service-oriented (Mukerjee, 2017). The size of the service sector is growing in almost all countries of the world. As national economies develop, the relative share of employment in agriculture, industry (including production and mining) and services changes dramatically.

Even in emerging economies, the volume of services is growing rapidly and often amounts to not less than half of the gross domestic product (GDP). In Kyrgyz Republic the variable amounts to 50.4% in 2017, Ukraine – 50.3%.

Developed countries demonstrate exceptional growth of the service economy. For example, in Italy the percentage of service in the country's GDP was 66.3%, in United Kingdom – 70.1%, Switzerland – 71.2, Luxembourg – 78.9% (World Bank, 2019).

Currently in Kazakhstan, the service economy is experiencing rapid growth. Consumers use a range

of services every day: communication via mobile phones, using a credit card, using a transport card in a bus and subway, withdrawing money from an ATM. These types of services have become so ordinary that sometimes we do not notice them, except only in case of malfunction. Other types of services may be more memorable, for example, booking a cruise vacation, receiving financial advice or medical examinations.

After graduating from high school, almost all young people in Kazakhstan rush to educational institutions; and it could be one of the significant purchases. Companies and non-profit organizations use a wide range of services for B2B, which differ depending on the nature of the industry, but usually include purchases in a much larger scale than those produced in B2C. Firms are outsourcing more functions to external service providers in order to focus on their core business.

In Kazakhstan, the growth of the service sector is determined by the level of investment. Thus, within the framework of the "Program for the Development of the Service Sector in the Republic of Kazakhstan until 2020", the investment needs were determined in the amount of \$ 330 billion from 2013 to 2020. Of these, 265 billion dollars should go to the transport and logistics infrastructure, real estate and trade (Курсив, 2017).

Thus, it is necessary to state that in Kazakhstan there is an awareness of the importance of developing the services sector. Moreover, services play an increasing role in the modern production sectors. In general, there is a shift of economic activity from production to services.

However, the analysis of macroeconomic indicators shows that the government is unable completely to refocus the economy to the service development path. Thus, the indicator of the ratio of investment to GDP shows a significant difference between the needs and attracted investments in the services sector (Table 2). The dynamics for 2014-2016 claims about the decline of this indicator in almost all areas of services.

**Table 3.** The ratio of investment in the service sector to GDP

№	Service sector	2014	2015	2016
	Information and communication	11%	10%	6%
	Financial and insurance activities	5%	4%	4%
	Transportation and warehousing	38%	33%	30%
	Wholesale and retail trade; car and motorcycle repair	2%	2%	2%

	Tourism	23%	21%	16%
	Real estate	20%	22%	23%
	Professional Services	3%	3%	2%
	Education	20%	18%	17%
	Health and social services	16%	11%	7%
Source: Kapital (2017)				

The share of investments in the service sector for three years from 2014 to 2016 has decreased from 43 to 39%. Meanwhile, the service sector is the most capacious sector in terms of generating jobs. In the first half of 2017, almost 5.5 million people worked in the service segment of the economy, that is 64.2% of the total employed population of Kazakhstan (Kapital, 2017).

In the State Program for the Industrial Innovative Development of the Republic of Kazakhstan for 2015–2019 the priority of the development of the services sector is clearly defined. Today, the share of the manufacturing industry is no longer an indicator of economic diversification and economic growth, since the global trend is the faster growth of the services sector.

As was said, an appropriate state policy and business strategy are necessary to develop (Grönroos, 1988), if we want to develop service economy. A service strategy's realization requires

a “service know-how”. There can be no doubt that structural changes in economy will lead to changes in organizational structures, marketing, management, and so on.

This is evidenced by the success of Alibaba, the Chinese e-commerce giant, which in 2014 published information on the sale of shares on the New York Stock Exchange. The company and shareholders sold 320 million shares (about 13% of the share capital) at \$ 68 per share. The entire business was valued at \$168 billion. Alibaba's debut on the New York Stock Exchange, as expected, turned out to be super-successful: on the first day, shares rose by 38% (to \$ 93.9), and market capitalization reached \$ 231 billion (РБК, 2014).

Table 4 shows the top 10 most expensive Internet companies. The capitalization of AliBaba is \$168 billion, and this is the third place after such well-known companies like Google and Facebook.

**Table 4.** Top 10 most expensive internet companies

Company	Capitalization, \$ billions	Branch	Country	Exchange
Google	399	search	USA	NASDAQ
Facebook	200	social networks	USA	NASDAQ
AliBaba	168	e-commerce	China	NYSE
Amazon	150	e-commerce	USA	NASDAQ
Tencent	147	social networks, plays	China	SEHK
Baidu	80	search	China	NASDAQ
Ebay	65	e-commerce	USA	NASDAQ
Priceline	63	e-commerce	USA	NASDAQ
Yahoo	42	Yahoo products	USA	NASDAQ
JD.com	40	e-commerce	China	NYSE
Source: RBK (2014)				

Undoubtedly, the development of the economy and the improvement of the welfare of the population of Kazakhstan in the current economic conditions is possible because of innovative transformations in the services sector. Successful innovations in service organizations is the key to the development of the service economy as a whole. The competitive advantages of these companies are those characteristics and properties of services, which create for the firm a certain superiority over direct competitors. Economic development of the country is impossible without competitive advantages of its firms and companies. Competitive advantages are part of the corporate style of any company, as well as provide it with protection against the attacks of competitors.

### Conclusion

The modern world is an integrated, unified network of various world markets due to globalization processes. Largely growth of business services coincides with shifts from domestic production toward global outsourcing of services. The service sector is developing dynamically and initiates high employment of the population and new types of business activity. Over-employment and servitization are the main

features of the service economy. It is generally agreed that service economy has emerged as a new economic model (Plotnikov and Volkova, 2014).

Service innovation technologies have become key factors of market competition. Productivity of service sector is elevating due digitally empowered variety of innovative services. According to Sang-Chul Yoon (2018) and (Wirtz, Ehret, 2009) innovation in services is the driving force of economic growth; as well, business services are the major driver of the service economy.

It is probably true to say that the rapid development of the service sector is a characteristic trend in the development of the world's economy. Developed and developing countries have different conditions to form a service economy. The different share of the services sector in the countries' GDP evidences it.

In spite of the service sector's proportion in the structure of the Kazakhstan's GDP for 2017 was 57.4 %, the share of investments in the service sector is declining and Kazakhstani macroeconomic indicators show that the government is unable to refocus the service economy direction. Innovation of services is the key to develop the service economy of Kazakhstan.

### References

- Brauweiler, H. (2002). *Innovationen im peripheren Raum* (1st ed.). Wiesbaden: Gabler.
- Brauweiler, H. (2008). *Unternehmensführung heute* (1st ed.). München: De Gruyter Oldenbourg.
- Brauweiler, H., A. E. Kalinina, A., & Zadorozhneva, J. (2017). A Complex Matrix of Characteristics of Socio-Economic Policy of a Region. In II International Scientific and Practical Internet Conference "Recent research in the modern world." (pp. 116 – 118). Pereyaslav-Khmelnytsky: Ministry of Education and Science of Ukraine and State-HEI "Pereyaslav-Khmelnytsky State Pedagogical University named after Gregory Pans."
- Brauweiler, H., Ponomareva, L., & Shevandrin, A. (2019). Comparative analysis of the innovative activity of peripheral regions of Russia and Germany. In *Competitive, Sustainable and Secure Development of the Regional Economy: Response to Global Challenges* (pp. 53–56). Amsterdam–Paris: Atlantic Press.
- Central Intelligence Agency (2008) | The World Factbook. Retrieved from <https://www.cia.gov/library/publications/the-worldfactbook/field/20012.html>
- Grönroos, Ch. (1988) "New Competition in the Service Economy: The Five Rules of Service", *International Journal of Operations & Production Management*, Vol. 8 Issue: 3, pp.9-19.
- Kapital (2017). *Kazakhstan shodit s relsov razvitiya servisnoy ekonomiki*. Retrieved from <https://kapital.kz/finance/62311/kazakhstan-shodit-s-relsov-razvitiya-servisnoj-ekonomiki.html>
- Kurchenkov, V., Brauweiler, H., & Ponomareva, L. (2018). Formation of the estimation system of the innovative activity in the regions of South Russia. In *Competitive, Sustainable and Secure Development of the Regional Economy: Response to Global Challenges* (pp. 22–25). Amsterdam–Paris: Atlantic Press.
- Kurchenkov, V., Fetisova, O., Orlova, A., & Gladkaya, E. (2017). The importance of the regions economic activity evaluation in Russia 2012-2016. *Revista Galega De Economia*, 26(3), 33-44.
- Kursiv (2017). *Investoryi teryayut interes k servisnoy ekonomike*. Retrieved from <https://kursiv.kz/news/kompanii-i-rynki/2017-08/investoryi-teryayut-interes-k-servisnoy-ekonomike>
- Miles, I. (2011). Service Innovation in the Twenty First Century. *Foresight-Russia*, 5(2), 4-15.
- Mukerjee, G. (2017). *Economics of globalization: A Handbook* (1st ed.). London: bookboon.com.
- Plotnikov, V., & Volkova, A. (2014). Service Economy and the Specifics of its Development in Russia. *Procedia Economics and Finance*, 16, 18-23.

RBK (2014) | IPO kitayskoy Alibaba ustanovilo mirovoy record. Retrieved from <https://www.rbc.ru/business/22/09/2014/54242473cbb20fbbec119179>

Reynoso, J. (2009) “The New Service Economy: Challenges and Policy Implications for Europe”, *Journal of Service Management*, Vol. 20 Issue: 3, pp.375-377.

Sang-Chul Yoon, (2018) “Servitization with skill premium in the digital economy”, *Journal of Korea Trade*, Vol. 22 Issue: 1, pp.17-35.

Service marketing (2018). Retrieved from <http://www1.udel.edu/alex/chapt24.html>

The World Bank. (2019) | World Development Indicators. Retrieved from <http://wdi.worldbank.org/table/4.2#>

Wirtz, J., Ehret, M. (2009) “Creative reconstruction – how business services drive economic evolution”, *European Business Review*, Vol. 21 Issue: 4, pp.380-394.

Wirtz, J., Tuzovic, S., Ehret, M. (2015) “Global business services: Increasing specialization and integration of the world economy as drivers of economic growth”, *Journal of Service Management*, Vol. 26 Issue: 4, pp.565-587.