The influence of service quality on sustainable competitive advantage in Kurdistan Iraq hotels: Perspective from hotel managers

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ABSTRACT

In today's ever-evolving and highly competitive market, hotels across the globe face numerous challenges. Among these, a key challenge is providing and consistently maintaining an excellent quality of service. As customer expectations rise, businesses in the hospitality industry are under pressure and must learn how to develop resilient strategies. These strategies are imperative if they wish to maintain a sustainable competitive advantage (SCA) amidst the intense competition they face daily. Interestingly, past studies often assumed the factors that predict competitive advantage, often disregarding the substantial impact of service quality (SQ). This error may incur significant costs. Therefore, to remain and become more competitive, logistic service providers (LSPs) should deeply understand the salient factors that contribute to building up their competitive advantage. They must also recognize the pivotal role of SQ and grasp its profound effect on SCA. The present research uniquely aims to assess the intricate relationship between SQ and SCA, particularly concerning hotel managers. Through this study, 152 sampled questionnaires were diligently obtained from hotel managers in the vibrant Kurdistan region of Iraq. These responses were thoroughly analyzed. Notably, the results demonstrated that all SQ dimensions, with the exception of assurance, were significant for ensuring the overall SCA of hotels. This groundbreaking study is the first of its kind to be conducted in this region. Ultimately, the valuable outcome of this study will guide and assist hotel managers in meticulously focusing on and enhancing their SQ levels, especially in the Kurdistan region.

Contribution/Originality: This study pioneers an examination of the interplay between service quality (SQ) and sustainable competitive advantage (SCA) from the perspective of hotel managers in the Kurdistan region of Iraq. Unlike previous research, this work elucidates the unique challenges and dynamics of the Kurdish hotel sector, bridging a significant gap in the current literature.

1. INTRODUCTION

Companies providing long-term care must differentiate themselves from their competitors and seek out new sources of competitive advantage in order to compete in these highly dynamic markets (Indah, Sarwoko, Arief, & Nurdiana, 2021). This effect can be obvious when higher levels of sources are gathered to accomplish a successful outcome. Logistic Service Providers (LSPs) should also develop unique and tough logistics capabilities in order to reduce costs and improve SQ in order to succeed in the market (Gupta, Singh, & Suri, 2018).
In the current competitive environment, the service sector has emerged as one of the major drivers of global economic growth. It is the world's fastest-growing area in terms of Gross Domestic Product (GDP), through which the region accounts for roughly two-thirds of global service trade (Loungani, Mishra, Papageorgiou, & Wang, 2017). Similarly, the service sector in the Kurdistan Region is continuously growing, especially for the tourism industry. Tourism imports in the Kurdistan region of Iraq are ranked as the second most important economic sector in the region that provides high revenue in the budget after oil imports because more than two million tourists visit the country annually (Altaee, Tofig, & Jamel, 2017). In general, hotels are one of the most important services that tourists patronise and which constitute (40-50%) of tourists' expenditures.

The originality of the research is that previous studies had limited understanding of the effects of SQ on SCA, particularly from the manager's perspective. The study is unique in that there is no comparable research in the Kurdish context. Second, the study's findings should provide practitioners with a clear knowledge of the impact of SQ on SCA. The current research provides empirical evidence that SQ affects the hotel's SCA. It assists hotel managers in Iraqi Kurdistan in focusing on and developing their service levels.

The macroeconomic situation in Iraq as a whole, as well as the local and global environments, present a multitude of immediate, medium-term, and long-term challenges for the Government of Kurdistan Region (GKR) (Ghareb, 2018). Among these challenges are the urgent issues of coping with a severe fiscal crisis, addressing security concerns arising from the conflict with the Islamic State of Iraq and Syria (ISIS), and managing the inflow of Syrian refugees and Iraqi internally displaced people (IDPs) in the aftermath of the conflict. These issues call for urgent intervention by the Kurdistan Regional Government (KRG), because if they are not addressed and dealt with appropriately, their effects may be extensive and global. The challenges in the medium to long term relate to reducing reliance on the oil industry, diversifying the region's economy to support long-term private-sector-driven financial development, and creating job opportunities (Ghareb, 2018).

KRG, which includes the governorates of Duhok, Erbil, and Sulaymaniyah, has made significant efforts to create a suitable environment for tourism, aiming to improve the region's tourism industry (Talabi, 2015). A good example of this, according to the author, is the hotel industry, which is considered one of the most important elements in the tourism industry. Compared to 2018, Kurdistan Region today contains about 405 hotels (an increase of 10%), 214 motels (an increase of 18%), and 50 tourist villages (an increase of 13%) (Al-Jaf, Ahmed, & Faeq, 2020). The Kurdistan Region's service economy is quickly increasing, particularly in the tourism sector. In the future, the Kurdistan Region's economy may become increasingly reliant on tourism; thus, it is critical to grow this industry, particularly hotel logistics management. This is because hotels are one of the fastest-expanding sectors in the tourist industry, and they play a crucial role in the expansion of tourism in the Kurdistan Region (Abdulllaha, Wirya, & Top, 2019).

Service quality is considered a norm and has become a principal procedure for tourism organisations, a separating component within an intensively competitive environment that wins in the sector. For several years now, the tourism industry has been immersed in a cycle of progress that has elevated quality to the top of the list of priorities for both tourists and tourism associations (Batra & Dahiya, 2018). In this specific situation, the quality of services implies possessing a key area related to the progressions that have been occurring in the life of society, which has become a competitive factor for little and medium-sized organisations. This further advances the utilisation of instruments or devices that ensure quality, which must be accomplished in a steady, deliberate, and consistent manner through appropriate management (Ali et al., 2021).

The hotels in the Kurdistan Region provide lower-quality services than hotels with the same degree in other parts of Iraq. Anwar (2017) demonstrates that hotel management personnel provide substandard services compared to their competitors. According to the inspection committee report of the General Authority for Tourism in Duhok Governorate, some of the hotels in the city have deficiencies in the dimensions of the quality of hotel services provided to customers, as the report is expected to pay more attention to the hotel's cleanliness.
This comparison has an impact on how well the hotel's visitors perceive the quality of its services. Ali, Mohammad, and Ramadhan (2020) demonstrated that 4- and 5-Star Hotels in Erbil and Duhok governorates have a low level of marketing activity and service quality. The key factors that made market control extremely challenging were the fierce competition among hotels, namely the emergence of new services, the shortening of their life cycles, and the expansion of customer offerings. As new administrative, regulatory, and marketing ideas must be adopted, the organisations' chances of survival keep getting worse. The new adoption is intended to overcome challenges, achieve sustainable competitive advantage, gain new clients, boost customer satisfaction, keep clients, cultivate clients' loyalty in various ways, and build a foundation of long-term client relationships (Ali et al., 2020).

Accordingly, SCA in the field of accommodation for hotel companies comes from effective resources and service quality management (Evans, 2016; Hossain, Kannan, & Raman Nair, 2021). Consequently, there is a need to conduct a study between them in order to find out the best effect and develop hotel SQ in the Kurdistan region to achieve SCA. In general, few studies have investigated the relationship between service quality and competitive advantage in the logistics and supply chain management industries, and only a few have focused on logistics service providers (LSPs) (Kusumadewi & Karyono, 2019; Sweis, Elian, Alawneh, & Sweis, 2018). Furthermore, according to studies conducted by Gupta et al. (2018) and Jusoha and Azizb (2019), the views of the LSPs are completely ignored, which are the fundamental control in the service industry's machinery and have the best view of this significant factor as they are responsible for managing employees, planning, marketing, coordinating, and administering services. Indeed, it is critical to conduct research on LSPs at various levels in order to find the most important factors that contribute to competitive advantage in the hotel industry.

In any profitable hotel establishment, the main concern is how to provide high-quality offers, manage services effectively, and maintain the hotel firms' competitive edge, which represents a significant challenge for all managers in the highly competitive hotel industry. Kukanja and Planinc (2020) reported that managers must have a strong understanding of the operational effectiveness and quality assurance standards required to meet customer expectations and generate profits. Moreover, managers can significantly influence the standards of quality that customers require by establishing various promotional activities and dedicated marketing campaigns (Al-Gasawneh, Anuar, Dacko-Pikiewicz, & Saputra, 2021). For instance, managers might opt to improve the quality of various components of the marketing mix to attain a competitive advantage in the market (e.g., investing in cutting-edge interior design, developing smart technologies to increase customer convenience, promoting renowned international chefs, offering larger portions and/or better service for the same actual cost, etc.) to attain a competitive advantage in the market, which may reduce operational efficiency in the short term but improve hotels' long-term performance. Overall, there is a substantial connection between hotel quality and compactivity (Kukanja & Planinc, 2020). Therefore, it's important to evaluate how service quality and long-term competitive advantage relate from the manager's perspective.

In summary, the main gaps in the literature are (1) a lack of empirical support for the constructs and measurements, managers' SQ and SCA, and (2) a lack of understanding of SQ and SCA from the manager's perspective. This paper examines the SQ and SCA that hotel managers have acquired to discuss these gaps. The paper will further investigate the effects of SQ on SCA in terms of valuable, rare, unique, and organisational support elements.

2. LITERATURE REVIEW

2.1. Service Quality

SQ is the ability to encounter clients' requirements and the technical perfection of their needs; it is also a multidimensional idea that has a variance between the objective quality that is founded on the product and the
perceived quality that is based on the utilizer (Kusumadewi & Karyono, 2019). The service quality is also the outfit of contrast among the predictable and apparent services (Shoukat, Rizwan, & Iqbal, 2020).

Hassan, Mustafa, and Ismail (2020) emphasise the pivotal role of tourism service quality as a metric determined by the extent to which customer service aligns with tourists' expectations. They contend that delivering exceptional quality service entails achieving congruence between the actual level of service and tourists' expectations and, in some instances, surpassing those expectations. The authors further assert that these expectations are influenced by the dimensions utilised for the valuation of service quality. As service quality continues to hold significant importance in the operational landscape of the tourism industry, it becomes imperative to establish a precise and psychometrically robust measurement tool for tourism service quality (Hassan et al., 2020).

Supporting this viewpoint, Rashid, Ismael, Othman, and Ali (2019), along with Sadq, Othman, and Khorsheed (2019), underscore the necessity for managers in the tourism sector to comprehend and fulfil the distinct needs and desires of tourists by offering high-quality services (Hassan et al., 2020). Therefore, tourism industry managers must proactively strive to grasp the preferences and expectations of their clientele in order to ensure customer satisfaction and loyalty (Hassan et al., 2020).

In their study, Mitropoulou and Tsoulfas (2021) scrutinised service quality within various service operators, making adaptations to the renowned SERVQUAL model for their field of study. The SERVQUAL model, which Parasuraman, Zeithaml, and Berry created in the late 1980s, has evolved into a crucial framework for determining the gap between customers' expectations and their perceptions of the services they received. The model is grounded in five principal dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Mitropoulou and Tsoulfas (2021) argued for the necessity of a standardised instrument for measuring service quality across both service environments and supply chains, emphasising the significance of a reliable evaluative process to ensure customer satisfaction and improve profitability.

Contrary to the traditional five dimensions of SERVQUAL, other researchers have extended this model. Stewart (1995), Beamon (1999), and Mentzer et al. (2001, as cited in Özyaydin, 2016), who proposed seven key dimensions—reliability, responsiveness, problem-solving ability, documentation accuracy, information accuracy, empathy, and compliance with services offered—made a notable deviation. This extension illustrates the adaptability and contextual nuances that can be added to the SERVQUAL model based on the industry or specific focus.

The classic SERVQUAL model, by Parasuraman et al. (1985, as cited in Przybytniowski, 2023), employs a concise 15-item questionnaire distilled from the original 22 items to expedite the survey process. This questionnaire assesses five core dimensions:

1. Reliability: Examines the extent to which a service meets customers' expectations reliably and accurately.
2. Responsiveness: Evaluates the ability of service staff to respond to customer needs and queries effectively.
3. Assurance: Measures the degree of confidence and trust instilled in customers by the service staff.
4. Empathy: Gauges the level of individualised attention and care provided to customers.
5. Tangibles: Reviews the physical attributes, such as the appearance of facilities and personnel, affecting the customer's service perception.

Additionally, some researchers have introduced a 'sensory' dimension, designed to offer clients an adequate sensory experience through various stimuli, including tactile, auditory, and visual inputs (Ali et al., 2021; Lee, Park, Park, Lee, & Kwon, 2005).

The manager's role in service quality cannot be overstated. Emphasising comprehensive quality control, product development, staff management, and marketing strategies is vital for sustaining service quality (Al-
Understanding customer expectations is pivotal, as managers tasked with achieving specific goals must navigate the complexities of setting service objectives and creating opportunities for enhancing service standards (Cetin & Walls, 2016; Smith & Pitta, 2009). Managers lacking this awareness are prone to making decisions that can detrimentally affect perceived service quality and, ultimately, business sustainability.

2.2. Sustainable Competitive Advantage (SCA)

SCA is described as a competitive advantage that is not easily replicable or removable; it can be maintained for a certain period of time and is the source of a company's superior sustainable performance (Purwanto & Purwanto, 2020). Therefore, the significance of cheap rents lies in their sustainability over time and their potential to contribute to superior performance. Barney (1991) and Foss and Knudsen (2003, as cited in Samarrokhi, Jenah, Arumugam, and Weinsier (2015), have delineated two distinct concepts of sustainable competitive advantage strategies. Firstly, a company is deemed to possess a competitive advantage when it successfully implements a value-creation strategy that is not concurrently adopted by any existing or potential competitor. Second, a company is deemed to have a sustained competitive advantage when it employs a value creation strategy that is not being simultaneously adopted by any current or potential competitor, and these other companies are unable to replicate the advantages of this strategy. The maintenance of a competitive advantage hinges on the feasibility of competitive replication (Samarrokhi et al., 2015).

Sustainability refers to the potential for competitive imitation or other rivals using the same tactic. These qualities that are required for resources and capacities to be met are very relevant to sustainability. According to Barney (1991), Barney (1995), and Barney and Clark (2007, as cited in Mahdi, Nassar, and Almsafir (2019), these dimensions of SCA are valuable, rare, inimitable, and organised.

2.3. The Influence of SQ on SCA

Excellent service quality creates top levels of completeness, which deliver mainly numerous activities in the market and lead to sustainable competitive benefits (Kusumadewi & Karyono, 2019). Global academia has conducted extensive research on the connection between service quality and SCA. In a study on service quality and SCA conducted by Njoroge (2016), it was concluded that, in terms of advanced sustainable competitive advantage, LSPs must improve their service superiority levels.

Shetty, Kamath, and Krishna (2018) called for the need to focus on service quality features and outcomes, as well as initiatives that might offer firms a sustainable competitive advantage. It was revealed that organisations must focus on their visibility, influence, and take action to enhance important services such as attitude, content, and delivery in order to raise their market position and perceptibility. In addition, higher education institutions (HEIs) must also pay attention to how they handle data sources and how they organise knowledge generation and distribution in order to attain a competitive advantage (Shetty et al., 2018).

Interestingly, Wijetunge (2016) investigated how small businesses can use service quality to attain a competitive marketing advantage and which current service quality models are most applicable to larger organisations. Based on the findings of a two-level experiential study focusing on small engineering firms, a model of service excellence was developed, which indicated that, more accurately, it reflects the circumstances of smaller businesses. The study found the key considerations for business owners in developing a competitive advantage through service quality management.

Hassan et al. (2020) looked at how managers for tourism businesses in Erbil perceived the effect of bettering mental imagery on the quality of tourism services. The results of this study supported the evidence that aspects of tourism service quality significantly and favourably influence the development of mental imagery.
The relative importance of SQ in insurance organisations was investigated by Esmaeipour and Hoseini (2017). Following dependability, responsiveness, assurance, and tangibility, empathy was the most noteworthy quality. This finding is in line with recent research Whingan and Ogundare (2018), which shows that all SQ dimensions have high values, with an average SQ of about 71%.

In the Jordanian insurance sector, Sweis et al. (2018) explored the link between Service Quality and SCA achievement. Their findings indicated a meaningful correlation between responsiveness, empathy, and SCA. However, there was no significant relationship observed with tangibility, reliability, or assurance concerning SCA. On a different note, Kukanja and Planinc (2018) examined how managers’ perceptions of quality influenced the profitability of restaurant operations. Out of the five quality dimensions, only empathy, assurance, and tangibles showed a significant impact on a restaurant’s overall quality. Other quality metrics did not demonstrate significant statistical relevance.

For hotel and spa managers in Greece, Bakirtzoglou, Vryoni, and Ioannou (2018) examined which aspects of service quality are most crucial to their ability to satisfy clients. The findings indicated that three SERVQUAL model variables—responsiveness, reliability, and tangibles—were the most effective predictors of managers’ perceptions.

The study’s conceptual framework, illustrated in Figure 1, is grounded in a thorough literature review and seeks to probe the connection between service quality and SCA within the Kurdistan region-Iraq’s hotels. This framework guided the formulation and examination of the subsequent hypotheses:

- **H1. Tangibles have a significant effect on sustainable competitive advantage.**
- **H2. Reliability has a significant effect on sustainable competitive advantage.**
- **H3. Responsiveness has a significant effect on sustainable competitive advantage.**
- **H4. Assurance has a significant effect on sustainable competitive advantage.**
- **H5. Empathy has a significant effect on sustainable competitive advantage.**
- **H6. Sensory has a significant effect on sustainable competitive advantage.**

3. METHODOLOGY

The objective of this research is to find out how SQ affects SCA in the hotel industry in Kurdistan, Iraq, from the managers’ perspectives. The study participants were hotel managers who work in the Kurdistan region of Iraq and are capable of sharing their experiences and viewpoints. The managers of various hotels in Sulaymaniyah, Erbil, and Duhok cities with three, four, and five stars provided the information for this study. To measure the impact of
SQ on SCA, a questionnaire with a five-point Likert scale was employed (Wijetunge, 2016). A simple random sampling was followed so that each hotel in the population had an equal chance of being chosen (Abdulla et al., 2019).

A quantitative approach based on cross-sectional data collection was employed to empirically examine the proposed study model. The research aimed to statistically test the hypotheses among hotel managers from large hotels in the Kurdistan region of Iraq. These managers were believed to possess adequate knowledge of service quality management perception and sustainable competitive advantage. Primary data were gathered using self-administered questionnaires comprising three parts: the service quality scale, the sustainable competitive advantage scale, and demographic information about respondents.

The service quality scale consisted of 17 questions covering tangibles, reliability, responsiveness, assurance, empathy, and sensory aspects. The sustainable competitive advantage scale comprised 22 questions focusing on value, rarity, inimitability, and organisational support. Both scales were developed based on existing literature, primarily focusing on logistics and hotel businesses.

The target population for this study was large hotels in Kurdistan, Iraq, with a total of 209 hotels operating in 2021 and serving 23,341 rooms. Questionnaires were distributed to 209 hotel managers throughout the region. During the survey period, 154 questionnaires were collected, resulting in a response rate of 74%. However, two questionnaires were excluded due to substantial missing data, leaving 152 valid responses for data analysis. To analyse the collected data, this study employed Partial Least Squares Structural Equation Modelling (PLS-SEM), an advanced statistical technique used for modelling complex relationships between observed and latent variables (Hair, Risher, Sarstedt, & Ringle, 2019). PLS-SEM, sometimes referred to as PL$$^2$$SEM (Partial Indicator Structural Equation Modelling), is particularly beneficial for exploratory research as it allows for the modelling of formative constructs and does not require a large sample size. The analysis was performed on a dataset consisting of 152 valid questionnaires. Before performing the main survey, pilot research was conducted by distributing 20 questionnaires to hotel managers, 17 of which were returned. Internal consistency reliability scores, represented by Cronbach's Alpha values, were calculated for the study variables. The Cronbach's Alpha values for most latent variables exceeded 0.7, indicating good reliability, while assurance and sustainable competitive advantage had Cronbach's Alpha values exceeding 0.9, indicating excellent reliability. This confirmed the research instrument's reliability for data collection (George & Mallery, 2016).

To mitigate the potential effects of common method variance, several precautionary steps were implemented. Assurances of confidentiality were given to hotel managers, and the number of scale items was augmented to diminish methodological bias. We employed Harman's single-factor test to scrutinize this variance. According to Fuller, Simmering, Atinc, Atinc, and Babin (2016), no singular factor dominated the measure covariance, with a mere 35.409% variance attributed to a single factor. This indicates that common method bias did not significantly impact this research's results.

The study's main objective was to empirically investigate the factors influencing LSP (Logistics Service Provider) hotels' ability to maintain their competitive advantage in the hotel logistics industry of Iraqi Kurdistan. To achieve this, the study examined the relationship between the hotel's SQ and SCA from the managers' perspective.

4. RESULTS

To find the independent latent variables (SQ) that have an impact on the dependent latent variables (SCA), correlation and regression analysis are used. The data were analysed using PLS-SEM. The demographic information of the respondents was extracted from the questionnaires, as indicated in Table 1.

In this study, six variables representing service quality, including tangibles, reliability, responsiveness, assurance, empathy, and sensory, were developed from the work of Louis (2017), Rashid et al. (2019), and Vijaya...
According to Hair, Hult, Ringle, and Sarstedt (2014), a minimum sample size of 10-15 observations per latent variable was regarded as adequate for PLS-SEM. Given the presence of 7 latent variables, a sample size of 152 was deemed adequate for this study. The respondents’ feedback was divided into two categories: early responses, with 106 (69.74%) received within the initial 6 weeks, and late responses, accounting for the remaining 46 (30.26%) received after that time frame. An independent sample t-test was used to look for non-response bias in the variables, and Levene’s test for equality of variances showed values above 0.05 (Goss-Sampson, 2019). The outcomes of the independent sample t-test revealed no statistically significant distinctions between the early and late response groups, suggesting that the study did not suffer from non-response bias.
To address potential multicollinearity issues in exogenous latent constructs, the study employed two methods. The first approach involved analysing the correlation matrix, which revealed no evidence of multicollinearity among the six constructs. The second method utilised variance inflated factor (VIF) and tolerance values, which met the recommended cut-offs, indicating the absence of multicollinearity in the exogenous latent constructs (Hair et al., 2021; Valls & Martín, 2021).

Following the recommendations of Hair et al. (2021), the presentation of PLS analysis results was carried out in two stages. The first phase focused on reliability and validity measures, also known as measurement model results, while the second phase focused on the structural model (Valls & Martín, 2021).

4.1. Measurement Model

The primary goal of this model is to calculate the Factors Loadings (FL), "Composite Reliability" (CR), "Cronbach's Alpha" (CA), and "Average Variance Extracted" (AVE), as well as to assess discriminant validity. The absolute loading threshold for indicators should exceed 0.7 (Hair, Howard, & Nitzl, 2020). Therefore, indicators with loadings greater than 0.70 are considered crucial. However, as suggested by Hair et al. (2020), items with loadings around 0.5 and 0.7 may still be retained if the variance recovered for latent variables is above 0.5. The outcomes of the measurement model are presented in Table 3.

In Table 3, the AVE results for each latent variable are displayed, and no latent variable exhibits an AVE below 0.5. Based on the calculations in Table 3, item loadings between 0.5 and 0.7 were retained. On the other hand, six loadings with values below 0.50 were discarded. The removal of these items resulted in the remaining items, which measured the specific constructs, loading significantly higher on those constructs than on others, thereby supporting the validity of those constructs.

4.2. Discriminant Validity

Discriminant validity evaluates how distinctly items in one construct differ from those in other constructs. In our research, we gauged discriminant validity using the renowned criterion from Fornell and Larcker (1981), as cited by Ab Hamid, Sami, and Sidek (2017). As depicted in Tables 3 and 4, this criterion mandates that the square root of the Average Variance Extracted (AVE) for a construct should be greater than its correlations with other constructs.

The information in Table 3 shows that discriminant validity is clear because the squared correlation for each construct is less than the average value (AVE) for the indicators used to measure that construct. This result shows that one latent variable better explains the changes in its own indicators than other latent variables. This is in line with the criteria set by Fornell and Larcker (1981), which was used by Ab Hamid et al. (2017). The results further demonstrate that the AVE values exceed the correlations among the constructs in the model.
Table 3. Measurement model result.

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<th>Construct</th>
<th>Measurement items</th>
<th>Loading</th>
<th>CR&lt;sup&gt;a&lt;/sup&gt;</th>
<th>CA</th>
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<td></td>
<td>SCA12</td>
<td>0.671</td>
<td></td>
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<tr>
<td></td>
<td>SCA13</td>
<td>0.339</td>
<td></td>
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<tr>
<td></td>
<td>SCA14</td>
<td>0.531</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>SCA15</td>
<td>0.230</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>SCA16</td>
<td>0.520</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA17</td>
<td>0.510</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA18</td>
<td>0.546</td>
<td></td>
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<tr>
<td></td>
<td>SCA19</td>
<td>0.560</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>SCA20</td>
<td>0.610</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA21</td>
<td>0.649</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA22</td>
<td>0.691</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA23</td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Tan=Tangibles, Rel=Reliability, Resp=Responsiveness, Asur=Assurance, Emp=Empathy, Sen=Sensory, SCA=Sustainable competitive advantage.

<sup>a</sup>Composite reliability.

<sup>b</sup>Average variance extracted.

Table 4. Fornell–Larcker criterion.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Tangibles</th>
<th>Reliability</th>
<th>Responsiveness</th>
<th>Assurance</th>
<th>Empathy</th>
<th>Sensory</th>
<th>Sustainable competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>0.817</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>0.542</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.505</td>
<td>0.555</td>
<td>0.733</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance</td>
<td>0.496</td>
<td>0.644</td>
<td>0.716</td>
<td>0.851</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>0.398</td>
<td>0.747</td>
<td>0.584</td>
<td>0.725</td>
<td>0.836</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensory</td>
<td>0.617</td>
<td>0.491</td>
<td>0.391</td>
<td>0.417</td>
<td>0.381</td>
<td>0.882</td>
<td></td>
</tr>
<tr>
<td>SCA</td>
<td>0.622</td>
<td>0.622</td>
<td>0.513</td>
<td>0.462</td>
<td>0.507</td>
<td>0.683</td>
<td>0.691</td>
</tr>
</tbody>
</table>
Following Suleiman and Abdulkadir (2022) suggestions, we also made sure that the measurement model was good for checking the estimated path coefficients against the expected model-to-study associations. This evaluation encompassed reliability assessments as well as assessments of convergent and discriminant validity. These comprehensive evaluations collectively affirm the overall quality of the measurement process.

Based on what we found, our study suggests that different aspects of service quality (Tan, Rel, Resp, Asur, Emp, and Sen) have a big effect on hotels’ long-term competitive advantage, as shown in Figure 2. These dimensions play crucial roles in shaping the hotels’ competitive positioning in the industry.

In the evaluation of the structural model, it is imperative to scrutinize the t-value, indicative of the statistical significance of the standardised regression weights, pertaining to the research hypotheses across distinct levels of significance, specifically at 0.01, 0.05, and 0.001. Concurrently, the determination of the coefficient of determination (Std. estim) for the endogenous variables remains paramount.

In the final step, the proposed hypotheses were tested, comprising six hypotheses in total. The results of these hypotheses are presented comprehensively. As depicted in Table 5, the first hypothesis demonstrated that tangibles have a positive and significant effect on SCA ($\beta=0.188$; $T=2.736$; $p<0.01$). The second hypothesis showed that reliability has a positive and significant effect on SCA ($\beta=0.178$; $T=2.366$; $p<0.05$). Similarly, the third hypothesis revealed a positive and significant effect of responsiveness on SCA ($\beta=0.166$; $T=1.982$; $p<0.05$), providing support for this hypothesis. However, the fourth hypothesis indicated that assurance has a positive but insignificant effect on SCA ($\beta=0.109$; $T=1.331$; $p>0.10$). Moving on to the fifth hypothesis, it was demonstrated...
that empathy has a positive and significant effect on SCA (β=0.249; T=2.866; p<0.01), which aligns with the initial hypothesis. Finally, the last hypothesis revealed a positive and significant effect of sensory perception on SCA (β=0.402; T=5.444; p<0.01).

These findings emphasise the significance of specific service quality dimensions, such as those impacting the hotels' sustainable competitive advantage. The findings provide significant insights for practitioners and managers looking to improve their organisations' competitive standing by focusing on service quality factors.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationships</th>
<th>Beta</th>
<th>Standard error</th>
<th>t – values</th>
<th>p – values</th>
<th>Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Tangibles -&gt; Sustainable competitive advantage</td>
<td>0.188</td>
<td>0.069</td>
<td>2.736</td>
<td>0.006</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Reliability -&gt; Sustainable competitive advantage</td>
<td>0.178</td>
<td>0.075</td>
<td>2.566</td>
<td>0.018</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Responsiveness -&gt; Sustainable competitive advantage</td>
<td>-0.166</td>
<td>0.084</td>
<td>1.982</td>
<td>0.048</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Assurance -&gt; Sustainable competitive advantage</td>
<td>0.109</td>
<td>0.082</td>
<td>1.331</td>
<td>0.184</td>
<td>Not supported</td>
</tr>
<tr>
<td>H5</td>
<td>Empathy -&gt; Sustainable competitive advantage</td>
<td>0.249</td>
<td>0.087</td>
<td>2.866</td>
<td>0.004</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Sensory -&gt; Sustainable competitive advantage</td>
<td>0.402</td>
<td>0.074</td>
<td>5.444</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note: Tan=Tangibles; Rel=Reliability; Resp=Responsiveness; Assur=Assurance; Emp=Empathy; Sen=Sensory SCA=Sustainable competitive advantage.

5. DISCUSSION AND IMPLICATIONS

As the hotel industry continues to evolve in complexity, achieving sustainable competitive advantage (SCA) becomes increasingly challenging. This study was designed to explore the impact of service quality (SQ) dimensions on SCA, specifically in the context of the hotel sector in Kurdistan, Iraq. All the proposed hypotheses were substantiated.

Within the hotel sector, our investigation reveals a marked correlation between SQ and SCA, corroborating the empirical findings of previous studies by Sweis et al. (2018), Kukanja and Planinc (2018), Rashid et al. (2019), and Vijaya and Rahayu (2021). Additionally, the quintessential dimensions of SQ—including tangibles, reliability, responsiveness, empathy, and sensory—demonstrate a statistically salient influence on managerial perceptions of service quality. This is consistent with the conceptual foundations of the SERVQUAL framework that Parasuraman, Zeithaml, and Berry (1988) first outlined and later refined by Ali et al. (2021).

From a managerial standpoint, this study highlights the utmost importance of tangibles, such as the physical environment and staff quality, encapsulated by the dimensions of reliability, responsiveness, empathy, and sensory. These findings echo the research by Hussain et al. (2021), who emphasised the role of environmental elements and staff conduct in overall service quality. Managers perceive that customers evaluate hotels primarily based on these key quality indicators. As a result, Smith and Pitta (2009) and Cetin and Walls (2016) noted that
hotel management and policymakers in the Kurdistan region should take these factors into account when developing strategies and regulations.

Additionally, to bolster the tourism industry in the Kurdistan region, adherence to government regulations and policies remains vital. Our results further underscore the necessity for a better understanding of service quality as a facilitator for achieving SCA. This is in line with Al-Gasawneh et al. (2021) assertion that understanding consumer expectations and adhering to quality standards are fundamental for improving service firms’ performance.

By extending the academic conversation started by studies like those by Stone and Sidel (1985) and Lee et al. (2005), this study offers useful insights into the significance of logistics and quality management for practitioners in the Kurdistan region. Future research could explore more dimensions of SQ and their impact on different sectors within the tourism industry.

5.1. Theoretical Implications
This study holds significant theoretical implications that can guide future research endeavours. Firstly, the results of this investigation contribute to the existing body of knowledge on the correlation between SQ and SCA by contextualising it within the hotel industry. By identifying the specific SQ dimensions (tangibles, reliability, responsiveness, empathy, and sensory) that influence SCA, this study enriches the general organisational literature on hotels.

Furthermore, our research advances the understanding of sustainable competitive advantage by showcasing the potential of SQ practices to foster and sustain a competitive advantage, exemplified in the context of the hotel industry. SQ dimensions should be perceived as a cultural aspect that can be cultivated within an organisation to augment and sustain competitive advantage. Hence, excellent service quality can serve as a driving force, among other factors, for attaining sustainable competitive advantage. So, this paper adds to what is already known about these connections, especially when it comes to hotels. It also points out the SQ dimensions that seem to have stronger connections with variables that are related to SCA.

5.2. Practical Significance
The practical significance of the study emerges as there is no similar research conducted in the region, and the study will support empirical studies for the constructs and measurements for the managers’ service quality and their sustainable competitive advantage. Furthermore, hotel management should grasp that good service quality has a favourable impact on SCA. When they use better SQ more fully, SCA can be greater. The efficiency used will allow for achieving and sustaining competitive advantage. It will also provide benefits for the relevant authorities to emphasise strategic policy.

5.3. Limitations and Future Research
The study has limitations even though it was conducted on three-star hotels and above in the Kurdistan region, because the two-stars’ hotels and below are the most popular and cheaper hotels in this context. The scope of future studies should include industrial firms, not only the hotel industry. Moreover, many inquiries have been generated based on the findings reported in this study, which required a solution. Future research should concentrate on the analysis of the quality perception concerning the gap between guests and managers, as well as hotel SCA.

5.4. Integrated Suggestions for Implementation
The alignment of industry practices and academic inquiry is crucial for holistic development. Thus, the following suggestions are tailored for both practitioners and scholars:
• Service Quality Dimensions: Practitioners should focus on optimising tangibles, reliability, and responsiveness. Concurrently, academics may target these dimensions for further scrutiny and theoretical development.

• Regulatory Compliance: While practitioners are encouraged to stay abreast of and adhere to relevant laws, researchers might examine the impact of different legislative frameworks on SQ and SCA.

• Feedback Mechanisms: Establishing robust customer feedback systems is essential for industry practitioners. For academics, studying the gap between customer expectations and managerial perceptions offers a promising avenue for future research.

• Employee Training: The establishment of targeted training programs can be invaluable for practitioners, while scholars could investigate their efficacy and long-term impacts.

• Data-Driven Decision Making: Practitioners should implement data analytics for performance monitoring, offering researchers a rich source of empirical data for longitudinal studies.

By incorporating these integrated suggestions, we anticipate that both the industry and the academic community will be better equipped to navigate the complexities of achieving and maintaining sustainable competitive advantage in the evolving landscape of the hotel sector.

6. CONCLUSION

The ever-changing landscape of the hotel industry, particularly in Kurdistan, Iraq, amplifies the complexity of achieving sustainable competitive advantage (SCA). This study offers empirical evidence confirming a significant relationship between service quality (SQ) dimensions and SCA. We corroborated previous research by identifying tangibles, reliability, responsiveness, empathy, and sensory as influential dimensions that managers should focus on for improving service quality and achieving SCA. The study further extends the academic discussion in this area and provides a foundation for both theoretical and practical applications.

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Transparency: The authors state that the manuscript is honest, truthful, and transparent, that no key aspects of the investigation have been omitted, and that any differences from the study as planned have been clarified. This study followed all writing ethics.
Competing Interests: The authors declare that they have no competing interests.
Authors’ Contributions: Both authors contributed equally to the conception and design of the study. Both authors have read and agreed to the published version of the manuscript.

REFERENCES


