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Grönroos strategic competition perspectives: the case of pizza delivery

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ABSTRACT

This paper discusses the strategy implemented by a group of companies, aiming to verify the adoption of a service strategy, in comparison with other 3 types of company strategy mentioned by Grönroos (2004): product, price or image. Beginning with a theoretical study about service strategy, comparing different propositions of authors related with service marketing and service management, Grönroos model was selected as a basis to analyze strategies adopted by pizza delivery companies in the city of Natal. All pizza delivery companies in Natal had their data collected and analyzed, totalizing 25 organizations. To analyze data the techniques used were cluster analysis and discriminant analysis. Results show how the different companies balance strategy, or not, prioritizing offered product quality, price, image or an approach for customer service

Key-words: Strategy. Service quality. Service strategy. Pizza delivery

1. Introduction

Services are identified as strategic and operational trends on competitive business. Analyzed as a way for differentiation in goods manufacturers, as alternatives for maintaining workforce, as an alternative investment for entrepreneurs, or other reasons, the growth of service activities, by several criteria, has been evidenced in economies of countries or regions (Correa, 1994; Nóbrega, 1997, Grönroos, 2004; Horovitz, 2004; Johnston, 1994; Normann, 2001; Lovelock, 2006; Fitzsimmons, 2005, Liu and Wang, 2007). Two important questions emerge for the correct understanding about service competition meaning: whether on one hand there may be lack of reliable data about service statistics, on the other hand, there may be confusion about the correct classification about what exactly the service sector is. Grönroos (2004) argues that, in order to understand services competition, it must be considered not only the activities and processes, or the sector of economy, but the logic of providing services and facilities to add value to the customer. This way it must be examined the managerial emphasis on planning and operationalization of services, either by service companies, or other sectors companies. The attitude of consumer oriented service, in opposition to administrative or financial emphasis adopted by companies, should be the major orientation for service competition. As Nóbrega (1997) pointed, from the very adoption of serving sense as the main element of differentiation strategy, leadership and provision of services, a common culture is created for the provision of superior services, contributing to characterize a service oriented operating system. Weber and Polo (2007) indicate the consistent knowledge and use of models for macroambiental analysis, economy sectors of activities, market, consumer behavior and concurrence as topics able to contribute to business (re) orientation. This logic integrates Nordic thinking proposals, represented in the four strategic competition perspectives suggested by Grönroos (2004): an emphasis on central product, on price, on image, or on services. Moreover, Natal is considered to be a city with some aspects of intense tourist activity, predominance of services activities and companies, located in a region with low purchasing power compared to the center-south of the country. Besides these factors, there is a recognition of the hospitality provided to national and international tourists. This profile, particularly with regard to hospitality and purchasing power, suggests a possible dominance of local firms in competition for services or prices. Thus, this research had as objective to identify the profile of predominant type of competition used by pizza delivery companies located in Natal, Brazil, identifying the adoption of one or more of Grönroos perspectives: product, price, image and services, and confirm Grönroos arguments, in this economy sector.

2. Strategy and service strategy

Service strategy is a key point in service management (Armistead, 1990; Zeithaml, 1990; Urdan, 1993; Correa, 1994; Clutterbuck, 1994; Heskett, 1997; Nobrega, 1997;; Lovelock, 2001; Grönroos, 2004; Normann, 2004; Horovitz, 2004; Fitzsimmons, 2005; Parasuraman, 2006).

These authors argue that an organization should define its basics to provide services associated with the market to be served as well as with its resources availability and strategic intent. This decision should occur, preferably at the pre-planning operation. In some circumstances, if this definition is not addressed at this stage, it is necessary to confront it just a little later. Clutterbuck (1994) suggests some benefits of a service strategy definition: identifying which mix elements of the service provide a competitive advantage; provides a consistent approach to the allocation of service attributes, supports decision making, enables rapid response to the dynamic market needs and perceptions. Service strategy definition deals with issues such as: company's strategic intent, the proposed value provided to customers, service mission, strategic positioning, the basis for service concept, the guidelines for definition of service offering, including the so-called central and accessory services. Among the main approaches to strategy formulation, one of the most known and referred was suggested by Porter (1989), who suggests three basic options for generic competitive strategies: leadership on total cost, on differentiation or a focus oriented strategy. Heskett et al (1994) suggest a scheme for discussion of organization's strategic positioning in relation to the concept of service, showed in Figure **1**. In one dimension, the authors classify the concept of service in wide and narrow. In another dimension, the target market is divided into wide and narrow. So, the focus can create competitive advantage by offering: 1.a wide range of services to a limited group of customers, - consumer control; 2.a "limited menu" and focused services to a few consumers – extreme focus; 3.a short range of services to many. The worse situation would be to offer much to many, which may lose focus.

		Target market	
		Narrow	Wide
Service concept	Narrow	Extreme focus	Good service for the price
	Wide	Consumer control	Focus absence (“ do everything to everybody”)

Figure 1: Focus as a way to influence consumer behavior to service contracting (Heskett, 1994)

A similar scheme was referred by Aertsens, Mondelaers, and Van Huylenbroeck (2009), in which Richter and Hempfling (2002) identified three main strategies for retailers for marketing organic products: a maximum strategy where the retailer offers a range of 400 or more products; a basic strategy, for a range of between 50 and 250 different products; and, at last, a minimum strategy, for retailers involving not more than 50 products. Another scheme for analyzing strategic options is Bowman Strategic Clock (1996). Four strategic options are proposed: classic strategy - value perceived by the customer is considered high, in line with high price; Japanese strategy - high perceived value by the customer associated with low price; downmarket strategy - low perceived value by the customer at low price; strategic failure: suggested by the author as the worst strategy because low service to the customer at a high price. It sounds clear, among the referred authors, three main concerns appear: a focus on added value to the customer with quality elements or differentiation, the price charged by the service, and the market or customer scope.

Grönroos (2004) adds two important elements from service management - image and relationships, structuring his strategy definition on four strategic perspectives of corporate competition: product, price, image and services. The author, however, does not limit the application of the four perspectives only in the service industry. These can be applied both to business services, as for industry, agribusiness, trade, hotels, etc. Armistead (1990) registers the need to define the service operations task arising from to service strategy for the enterprise, and registers six categories in which in should establish parameters: demand dimensions, customer service dimensions, the nature of conversion process, culture, business objectives, and constraints.

3. Grönroos strategic perspectives

The four strategic perspectives proposed by Grönroos (2004) are then detailed:

- Product: focus on the solution center, as a physical product or a service, as the primary aggregator of value for customers. Additional services can be offered, but they have no strategic importance, therefore, they are not prioritized. Hidden or additional services are not recognized as services that add value, and therefore deserve low priority. The company's service offering is characterized by the excellent central solution;
- Price: the company believes that price is the main criterion for client choice, so their competition capacity is associated with low prices. Price is considered the main item for adding value to the customer. The provision of additional services is not considered something valuable and therefore deserves low priority. The provision of services by the company remains among the cheapest ones;
- Image: the company differentiates through offering extras creating imaginary (a brand image) around their product, mainly through advertising and marketing tools. The solution is the central starting point, but the brand image is the most important contribution to creating value for the customer;
- Service: the company believes that excellence in total offer is required to create value for the customer. Thus, the central solution (physical product, service or combination of goods and

> services) is not sufficient to differentiate the offering from competitors. Product and service components, information, personal care and other elements of the relationship with the customer compose the service total offer. The offer is called "services supply”, regardless if the solution is a core physical product or a service, because all elements of the supply are considered to generate value for the customer. Develop the total services supply is considered of strategic importance and therefore, high priority. Hidden services, payable or not payable, have high impact on total supply to the customer. Price is considered less important than cost in the long term

One company seldom adopts a single of these perspectives. The organization which has a good image rarely offer low quality products. Although companies deliver excellent products and services, they will not disconsider price competition - but this kind of company does not have the understanding that the price is the central element of differentiation. Companies that prioritize services will not be competitive unless they have good products at a minimum. A Sony seems to prioritize product and image, due to its products quality and brand strength, but it makes use of price announcement as elements of attraction. Apple has as main focus the quality of their products, but its image is unique. Their work in managing the brand has brought important marketing lessons. They also have a good system for customer support. This suggests a strategy for strong service, besides the management of relationships practiced by the company. Apple stores show this, when they try to provide customers with a unique experience for using apple equipments, learning a lot about hardware and software. Starbucks, with its proposed environment can be understood as an example of a strategy of product - "the experience of drinking coffee in a special atmosphere" - but at no time the quality of coffee is something other than minimally strategic. Certainly, price is not the predominant view of the company.

4. Pizza delivery competition

The market for food delivery has increased along time, especially due to two significant trends as a social need for comfort, once one can eat a restaurant food with no need to go out from his home, and the time necessary to go out to a restaurant (Price, 1997).

In order to facilitate the identification of service strategy or operational attributes, some studies on service quality, more specifically *fast food* bring contributions. Mersha and Adlakha (1992), in a research with service management MBA students, identified *fast-food* 4 main factors affecting quality service: service speed, interest in correcting mistakes, reasonable price, and pleasant environment. Kara, Kaynak and Kucukemiroglu (1997), investigated on main factors for choose a fast food restaurant, in USA and Canada, and obtained the following results: in USA frequent customers consider, mainly, factors like food diversity, speed, friendly people, while less frequent customers prefer price and discounts. In Canada frequent customers prioritize available seats and nutritional information, as less frequent customers prefer price locations and innovation. The results indicate two key conclusions: there are different perceptions, in spite of the two countries similarities, although their study did not have national coverage, and there are different factors of choice for the consumer, contradicting the argument that fast food is a commodity market. Lee and Ugaldo (1997) conducted a survey in USA and South Korea, in order to identify , cultural implications on service quality evaluation. Data collected with business students in metropolitan universities in both countries indicated higher level expectations to Korean students than the american ones, in special for tangible aspects, reliability, assurance and low cost. American students expect more on speed, as well as they demonstrate certain level of satisfaction with the quality of the food they receive. Soriano (2002) conducted research in Spain restaurants, investigating the main factors that influence someone to return to a restaurant. The results, collected with 5,000 consumers, indicated 16 attributes grouped in food quality, service quality, price and local aspects. The main factor influencing return was food quality. Machado, Queiroz and Martins (2006), as result of a survey conducted with 120 fast food consumers in Brazil, found the attributes with higher level of expectations: polite people, cooking/preparation quality, efficiency in food supply, food temperature, rapidly table cleaning and well dressed staff. Goyal and Singh (2007) investigated on fast food attributes of choice in India, with 200 university students. The results indicated preference for diversity, food quality and taste, environment and hygiene, service quality, price and location.

5. Methodology

Research methodology consisted of the following steps: literature review with the objective to deepen knowledge and understanding about the strategy of service, development of the construct, with the intention to define the survey variables, which served as the basis for preparing the research instrument, development of an instrument of research, which generated a questionnaire with options for answers, pre-test for validating questionnaire, performed with 3 companies, training and calibration of the researchers in order to get homogeneous answers; data collect, involving the identification of existing businesses and the effective collection of data collect of each company performance, data processing and analysis, formulation of conclusions. Identification of the companies had two stages. At first, official sources of business registration were contacted, but their information was not fully updated. So, the researchers accessed telephone lists and telemarketing services, where 27 delivery pizza companies were found in the city of Natal. These data were then confirmed through telephone contacts with all companies. Of those, two were not confirmed as normally functioning companies. From these data, the universe of firms could then be defined as 25 companies, and all these were investigated, characterizing a census research. A questionnaire was prepared in which, for each criterion and correspondent attributes questions were formulated, aiming systematic and unbiased data collect. The questions were of closed type, with pre-defined alternatives to response, according to attributes presented in Table 2

Perspective	Criteria	Attribute
Product	Product quality	Food taste
	Delivered Product quality	Delivered food temperature
	Product diversity	Diversity of available products
Price	Product price	Product price range
	Delivery price	Delivery price range
	Package price (product plus delivery)	Product plus delivery price range
	Discounts offering	Frequency in offering discounts
Image	Company perceived image	Announcements
	Delivery service perceived image	Equipments, staff and package appearance
	Company size	Region of operation
	Advertising material	Advertising material visual and quality
Service	Delivery speed	Delivery time assumed
	Promptitude	Delay for telephone answering
	Access	Maximum distance for delivery
	Personal treatment	Courtesy and attention

Table 1: Criteria definition to compare pizza delivery services, in accordance with the strategic perspective

As a pre-test procedure, telephone interviews were conducted with the service sector of three companies. At this stage, notes were taken by each of the researchers, in order to make later adjustments to questionnaire. From the chosen criteria, totaling 15, only two could not be assessed through telephone contact – they were "product quality" and "delivered product quality." For these two, simulation was conducted, including products factual purchase. Three researchers were took part, all students of the Administration Professional Masters Program in Potiguar University, truly prepared about scientific methodology and conceptual skills compatible with the type of search conducted. Each researcher had to apply the questionnaire, a third part of the complete list. Data were collected also through documents as telephone lists, advertising material (folder, posters, newspapers advertisements, broadcast advertising), presence on outdoors. In order to calibrate researchers, especially in criteria "product quality" and "delivered product quality", measured respectively by "food taste" and "delivered food temperature" two simulations sessions were conducted - the assessments were compared and a standard of evaluation was obtained. For each indicator 4 possible grades were adopted: "0" in case of criterion / indicator be considered totally inadequate; "3" for the case of criterion / indicator be considered of low performance, "7", when the criterion / indicator was considered of good performance, and "10", for situations in which criterion / indicator was considered at great performance. Table **1** shows some examples of how these criteria and options for answers have been established. Researchers had flexibility to choose grades different from 0, 3, 7 or 10, to allow greater precision in terms of similar situations encountered. In this case, the team of researchers evaluated together each case and assigned, in accordance, a different grade.

Parameter		Performance			
Perspective	Attribute	Grade 0	Grade 3	Grade 7	Grade 10
Product	Food taste	Very bad	Acceptable	Good	Very good
	Delivered food temperature	cold	warm	Hot	Hot and "crunchy"
	...	...	...	...	...
	...	...	...	...	...
Price	Product price range	Fourth quartile	Third quartile	Second quartile	First quartile
	Frequency in offering discounts	Never	Sometimes	Regularly	Always
	...	...	...	...	...
Image	...	...	...	...	...
Services	...	...	...	...	...

Table 2: Examples of grades established for each attribute (Partially presented in the paper)

Data processing and analysis used as statistical techniques both cluster analysis and discriminant analysis, through SPSS version.12.0 software. In the analysis of conglomerates: the scores obtained for each of the pizzerias in each of the questions studied formed the collection of data that showed the natural grouping of the observations. It was used a hierarchization method in which it was previously defined the range from three to five for the number of desired clusters. Among the results, it was chosen that one which raised ease of interpretation and allowed the most progress - for the categorization and separation - achieved by increasing the number of clusters. In addition, it was created a new variable indicating the final cluster in which the observation was found. In Discriminant Analysis, with the new variable derived from cluster analysis, the discriminant functions were calculated and it provided the percentage of correct answers for each.

6. Results and discussion

Table 3 shows the final performance of each pizzeria in attending each perspective. Each pizzeria name was codificated, preventing public identification. Left 4 columns of "grade obtained" show the performance by each pizzeria in the four perspectives, using as parameter the grade. The next 4 columns, on the right side, show the percentage of attendance for each perspective, whereas the maximum percentage of would be 100%. The data presented in Table 1 were used for cluster analysis and discriminant analysis

Pizzeria	Obtained grade for perspective				Percentage of attendance for perspective			
	Product	Price	Image	Service	Product	Price	Image	Service
	Maximum possible score							
	30	40	40	40	100%	100%	100%	100%
	Obtained score							
OP	13	10	27	31	43%	25%	68%	78%
MP	27	9	33	34	90%	23%	83%	85%
PG	9	23	10	20	30%	58%	25%	50%
MO	27	17	17	30	90%	43%	43%	75%
BP	24	10	17	31	80%	25%	43%	78%
CL	24	24	17	30	80%	60%	43%	75%
RM	27	23	30	34	90%	58%	75%	85%
ST	17	23	20	27	57%	58%	50%	68%
SI	27	20	24	34	90%	50%	60%	85%
PO	17	30	14	31	57%	75%	35%	78%
NA	27	24	24	37	90%	60%	60%	93%
SP	13	23	20	28	43%	58%	50%	70%
DN	17	13	16	27	57%	33%	40%	68%
LN	6	30	17	20	20%	75%	43%	50%
NP	20	30	21	27	67%	75%	53%	68%
PZ	30	3	14	31	100%	8%	35%	78%
MA	30	10	30	30	100%	25%	75%	75%
SU	6	20	21	34	20%	50%	53%	85%
CB	27	0	27	37	90%	0%	68%	93%
HB	16	40	40	37	53%	100%	100%	93%
VM	20	33	20	31	67%	83%	50%	78%
PI	20	10	37	31	67%	25%	93%	78%
MI	30	20	24	37	100%	50%	60%	93%
FI	17	30	17	34	57%	75%	43%	85%
CP	13	23	21	23	43%	58%	53%	58%

Table 3: General performance of each pizzeria in each strategic perspective

6.1 Cluster analysis

The agglomeration schema and the dendogram, provided as SPSS outputs, and the concern about the ease of interpretation revealed the ideal number of four clusters for the collection of companies. Table **4** presents the frequencies for each cluster.

Clusters	Frequency	Percentage	Cumulative percentage
1	12	48,0	48,0
2	10	40,0	88,0
3	2	8,0	96,0
4	1	4,0	100,0
Total	25	100,0	

Table 4: Absolute and relative frequencies for each cluster

For a better interpretation of clusters, it may be seen Table **5** and Figure 1 average graph for the standardized variables (through Z score):

Clusters	Score Z PRODUCT	Score Z PRICE	Score Z IMAGE	Score Z SERVICE
1	-0,4211674	0,3159539	-0,4131559	-0,2532799
2	0,9017560	-0,7175211	0,4964375	0,6168501
3	-1,6959115	0,6726761	-1,1944849	-2,2346268
4	-0,5717277	2,0384123	2,3824663	1,3401110
Total	0,0000000	0,0000000	0,0000000	0,0000000

Table 5: Clusters middle Z scores in each researched dimension

The four resultant clusters can be interpreted as follow:

Cluster 1 – "Homework"

Cluster 1 is formed by the companies OP, SU, ST, SP, CP, DN, MO, CL, PO, FI, NP and MV. These companies presented middle performance in all evaluated items, that is, they did not show differentiated performance in any of the four perspectives, suggesting a balanced strategy. These companies are both worrying about the product quality, as with the service, without neglecting its image and brand, while maintaining a good balance between price and product. The ST pizzeria showed stability between the four perspectives. As it operates in a popular and low-income zone, it presents balanced strategy, but at the same time low percentage of attendance to perspectives - this can probably be associated with a lower requirement of its customers.

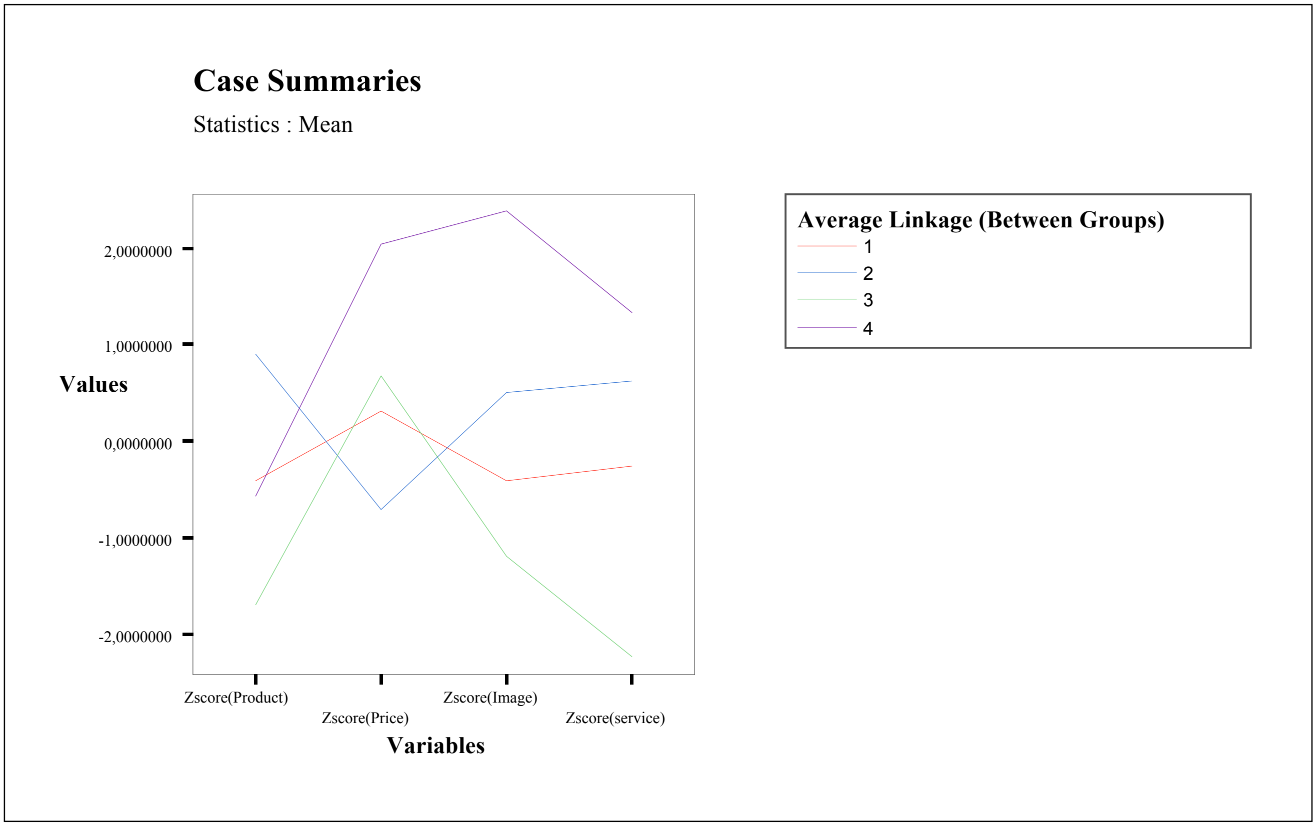

Figure 2: Clusters Z average scores in each issue

Cluster 2 – "Credibility decurrently from Product"

Cluster 2 is formed by companies NA, MI, SI, RM, MP, MA, PI, CB, BP and PZ. These are companies more concerned with product quality and service. They have a good perceived image even practicing the highest prices, what can imply that price is less attractive to their customers. The results show that these companies consider the delivery service as an additional offering to consumers, as they provide good products and good physical structure, focusing on local attendance – these are restaurants that use to receive customers in their dependences, and treat the delivery service as an option for those few customers that prefer to stay home. They make use of delivery as secondary, but even though they do not underestimate its strategic priority. These companies offer good quality product and do not prioritize low price. Pizzeria MP, which had a balanced performance among the four perspectives, is part of a large chain of pizzerias all over the country. Due to this factor, its strategy was slightly different from other companies in this cluster, because, despite its inclusion in the research as competing in product perspective, it dos not neglect attention to image and services. It is usually situated in shopping malls, and uses to offer home delivery, counting with trained motoboys for the service. Similarly, pizzeria PZ, an italian styled restaurant situated in a noble region of the city, popularly indicated as one of the best city's pizzerias, providing excellent products at high price, maintaining a good level in attendance, product quality and diversification, had low performance in price perspective, suggesting little or no concern with this approach. Pizzeria PI, a local network with very strong acceptance and penetration, provides a good delivery service, but a limited region for delivery service.

Among the 10 pizzerias with high performance in service perspective (cluster 2), it was found that eight of them have its strong performance in delivery service. In fact, they dedicate attention to product availability and delivery speed, as well as a good phone system. Analyzing criteria for development of good services, they prioritize speed, promptitude and greater region for delivery. By investing in this perspective, it is presumed that the strategy guide is to have a vision in which service is an important part of their income. Pizzeria CB, a restaurant with good reputation, offers high quality products with some sophistication, has, as a main attractive point, a different style of environment, with tropical decor and picturesque subjects, attracting tourists and young customers. It does not emphasize. This emphasis on product quality at high price agrees with Porter's arguments for differentiation positioning (1989). High credibility, generated from a good solution reaffirms the central and peripheral services offering, argued by Grönroos (2004) and Lovelock (1995). Pizzeria NA offers high-quality services, once it is concerned with offering a product to the customer trying to deliver, at home, the a product as good as the product sold in the store. This way, the deliveries are conducted with the maximum speed, in order to maintain the product temperature, and so, they make use of resources such as thermal package. Following this trend, results show that pizzeria MI has a strong emphasis on customer service, providing a service that generates great satisfaction, in order to achieve customer loyalty.

Cluster 3 – "Price is everything"

Cluster 3 is formed by pizzerias PG and LN, which prioritize strongly price, neglecting the other three perspectives, in particular service. Pizzerias with high performance in price are considered large companies compared to the others, and they working with high volumes. This agrees with the proposition of leadership in cost, of Porter (1989) and Akan *et al* (2006). Pizzerias LN and PG showed the lowest performance in service and product, demonstrating that delivery service is not a key factor. Pizzeria LN is more directed to the local service, and the delivery as "something else" in the development of their activities, trying to fulfill customer's demands. Moreover, the company frequently makes use of home folder distribution, offering a variety of options and promotions such as: "buy a pizza and take a giant 2 liters of soda" or "buy one big pizza and get a smaller one for dessert". PG company has the lowest market prices, partially due to be the high volume strategy. The pizzeria has a simple local structure, with intense movement both in the store, as in requests for home delivery. Their aim is to have the lowest region price.

Cluster 4 – "Pizza is not everything"

A unique company forms cluster 4: pizzeria HB. It was characterized as the best image and best price, but with a median product. An interesting fact is that HB had its best performance in price and image, showing his concern all over the country through nation-wide publicity, once it is a national pizzerias chain. HB shows a balanced performance among price, image and services perspectives. In product perspective, the overall performance falls drastically, indicating low emphasis on product quality. As a restaurant where the focus is not pizza, once it offers a great diversity of foods, it may be said that pizza sales occur as consequence of the great volume of general sales and people, as well as the publicity. The nation-wide publicity contributes for defunding its image, potentializing any product sales. Price (1997) registers the difficulty in food delivery companies for competing against usual restaurants, i.e., those restaurants that do not have delivery as central option, but make use of food home delivery as an optional way to gain some customers.

6.2 Discriminant Analysis:

Once the components for each cluster were identified, and product, price, service and image were defined as discriminant variables, it was possible to calculate the three discriminant functions in order to establish a rule to predict in which group a new studied pizzeria should belong, presented in Table **6**:

	Function		
	1	2	3
PRODUCT	0,787	-0,277	0,245
PRICE	-0,441	0,686	-0,046
IMAGE	0,605	0,520	0,708
SERVICE	0,609	0,269	-0,726

Table 6: Discriminant functions standardized coefficients

In accordance with significance test (Wilks lambda), only the function number 3 does not discriminate significantly the average of the groups. Further information on these functions are shown Table **7** below:

	Function		
	1	2	3
PRODUCT	0,509	-0,382	-0,016
PRICE	-0,232	0,693	-0,193
SERVICE	0,499	0,406	-0,751
IMAGE	0,319	0,594	0,635

Table 7: Correlation between discriminant variables and standard discriminant functions

	Classifications functions coefficients			
	1	2	3	4
PRODUCT	39,715	62,011	18,832	47,345
PRICE	1,493	-9,535	9,761	10,485
IMAGE	45,246	63,690	28,330	78,181
SERVICE	141,400	168,334	90,698	174,059
(Constant)	-76,240	-119,370	-34,476	-139,203

Table 8: Fischer’s linear discriminant functions

		Clusters	Predict group members				Total
			1	2	3	4	
Original	Counting	1	11	1	0	0	12
		2	0	10	0	0	10
		3	0	0	2	0	2
		4	0	0	0	1	1
	%	1	91,7	8,3	0,0	0,0	100,0
		2	0,0	100,0	0,0	0,0	100,0
		3	0,0	0,0	100,0	0,0	100,0
		4	0,0	0,0	0,0	100,0	100,0

Table 9: Frequency of right judgments in predictions

- Table **6** shows that the discriminant function 1 is more influenced by product perspective; discriminant function 2 is more influenced by price perspective; while discriminant function 3 is more correlated with service and image perspectives. The values in Table **7** confirm the analysis from Table **4** and Figure 2, in such a way that 96% of the original group were correctly classified, as Table **8**. Cluster analysis shows that group 1 (12 components) and group 3 (2 components) give more importance to price, the group 2 (10 components) gives more importance to product, while group 4 (1 component) gives more importance to image.

7. Conclusions

The results indicate the following conclusions:

- Companies with good performance in product perspective offer excellent product, and make use of delivery as an additional service. They present, as well, good performance in service perspective, while give low priority to price. This antagonistic relationship between product and price agrees with Grönroos (2004), Porter (1989) and Bowman (1996) arguments.

- Companies with better performance in image are part of national or regional network of stores, and one of them functions as a franchise. This comes with the proposal of Grönroos (2004) and Normann (2004), suggesting the use of tools of advertising and marketing to strengthen the brand as a way to create value for customers
- Companies with better performance in price use to work with large volumes, repeating behavior from other segments or sectors. It was also observed that companies that compete in price had the lowest average performance. As Grönroos (2004), the emphasis on low price leads to little attention to product and services, as confirmed in this study. Porter (1989) also argues that the competition in cost, due to the reduction of marginal profit per unit, increases the need for greater volumes of transaction
- This research could not confirm the predominance of competition in service, in relation to other perspectives. The study showed that the performance of the pizzerias in service is associated with good performance in product. A limitation of this research may be the fact that service was used in attributes associated with the delivery and people attendance. Aspects like information and relationships were not included, as suggested in "total services offer", supported by Grönroos (2004).
- It was also not confirmed the predominance of service perspective, in spite of the usual claim attributed to Natal as a host city. The analysis identified three groups and their respective prioritization: 12 firms give more importance to price, 10 firms give more importance to the product, and 1 pizzeria gives more importance to image.

Research limitations

Some limitations of the present research are:

- The unilateral view, once the data were collected only with company documents or information.
- Even though, the access to some companies directive people
- The few options of similar research, exploring Grönroos propositions, for comparative analysis.

Recommendations for future research

So, some recommendations for future studies may be:

- Deepen the research, incorporating the vision of the client and confronting with the internal vision, object of this research.
- Conduct the research for other segments of industry of bars, restaurants and cafeterias

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