Role of Customer Loyalty on Employee Performance and Productivity in Pharmacy Business in Thailand

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ABSTRACT
With the entrance of discount pharmacies in Thailand the competitiveness of traditional community pharmacies has declined. Owing to this, the traditional selling methods to attract the consumers have become obsolete. Therefore, this study is conducted to find a new way i.e. enhanced employee performance to increase customer loyalty. Furthermore, the mediating role of perceived value and trust has also been taken into account pertinent to pharmacy business in Thailand. The respondents of the study were the customers of franchises of community pharmacies in Thailand. Survey questionnaire technique was used to collect the required data from the pharmacies which were selected through random sampling technique. Additionally, PLS-SEM technique was utilized for data analysis. The results show that customer loyalty – attitudinal loyalty (AL) and behavioral loyalty (BL) – is increased with augmented employee

performance (EP) apropos the demands of the customers. Furthermore, trust (TR) and perceived value (PV) positively mediates between the both. The research also enlightens the decision makers to best design the employee training sessions to enhance the profitability and compete with discount pharmacies.

Keywords: Employee Performance, Trust, Perceived Value, Attitudinal loyalty, Behavioral loyalty

INTRODUCTION

With progression and progressivism, most of the businesses are moving into the international markets and starting to operate beyond the limited national bounders (Aqdas & Abdullah, 2019). The impact of this drastic shift has turned the world into a global village and has perpetuated globalization (Jermsittiparsert, Sriyakul, & Rodoonsong, 2013; Haseeb, Suryanto, Hariyatie, & Jermsittiparsert, 2020; Jermsittiparsert & Sriyakul, 2020). With the burgeoning concept of globalization, it has become essential for many multinational organizations to capture the market share which has driven them to focus on customer loyalty and trust (Budianto, 2019). According to Zhou et al. (2019), customer loyalty is an emerging issue for modern and international firms. A loyal customer provides the firm with continuous advertisement by sharing positive experience with potential customers and promotes good will of the company (Wirtz, 2018). Owing to this reason the executives are putting their efforts in enhancing and attaining customer loyalty. Additionally, for the most volatile industries which are particularly vulnerable to the changing environment, it is necessary to concentrate more on employee performance (EP) and customer loyalty (Salim, 2017). One such industry which has also been studied in this paper is the pharmacy industry. When studying customer loyalty, the most frequently asked questions are related to the experience which the customers had with the employees of the firm. This shows the extent to which they were satisfied with the desired or expected service or product. According to Rabbanee et al. (2015), when the employees' performance is optimized, the customers are satisfied with the company which ultimately enhances their loyalty and strengthens their trust on the products and services the firm is offering. Conversely, when the expectations of the customers are not met, they are disappointed and have negative impact on the reputation of the organization.

Hennig-Thurau et al. (2006), assesses the extent customers were satisfied with the given product or service which is the most essential thing is the performance of the employee. Furthermore, for retail researchers and store executives, - who formulate and manages the organizational strategies - observing and studying the attitude and behaviors of the employees has become a top priority (Berry et al., 2006; Netemeyer et al., 2010). A large amount of literature is available pertaining to the nature of the relation between employees and customers and this relation is essential in finding out how the customer will interact with the firm in future (Luo et al., 2012). More importantly, the employees which are associated with providing the services to the customers, play a more vital role in establishing trust and building a healthy relationship between the firm and its customers (Liao et al., 2004) and ensure customer satisfaction (Evanschitzky et al., 2012).

The studies mentioned above have been conducted were specifically pertinent to the impact of employee performance on customer loyalty and have been done in the field of retailing in a more general context. Hence, there is a lack of research in rather specific industries i.e. community pharmacies. As mentioned earlier, pharmacy industry is one of those industries which are most volatile and susceptible to change. Specifically, the pharmacy business in Thailand has been observed to have gone through a lot of change in the recent past (Nitadpakorn et al., 2017). According to Adams et al. (2019), the employees of community pharmacies have more impact on customer loyalty, trust and satisfaction as compared to the traditional retail contexts. Still, there is a scarcity of knowledge available as to what extent the performance of the employees affect customer loyalty in pharmacy business. As stated by White et al. (2012), the need of studying the relation between EP and customer loyalty is important because community pharmacies not only exist as retail business but also as health care providers. Likewise, Arndt et al. (2006), has proposed that employees

of Thai community pharmacies, work in a relatively dynamic environment due to the demanding, varied and harried nature of retail stores of Thailand. The following table illustrates basic information regarding the pharmacies of Thailand:

TABLE 1. Pharmacies in Thailand

Factor	Thailand
Number of community pharmacies	17,000+
Number of community pharmacies per 100K population	26.60
Number of registered pharmacists	24,000+
Proportion independents	97%
Drug regulation	Ready-packed pharmaceuticals Dangerous medicines and specially controlled medicines Home remedies
Pharmacy regulation	Bureau of Drug Control FDA regulation compulsory
Pharmacist regulation	PhC regulation compulasory
Funding	99% medicines and other sales

According to Braun et al. (2010), people buying the pharmacy products expect a healthy relationship between the pharmacists and themselves and demand that the pharmacists are readily available in case they need an advice. Likewise, Offord (2013), has asserted that pharmacy customers want their pharmacists to be more involved in giving advice regarding complementary medicines such as vitamins and other supplements.

According to Brooks et al. (2007), very severe competition exists between the community pharmacies around the globe as there has been a lot of new entrants. Singleton et al. (2014), have observed in a study that in Australia, unhealthy competition prevails due to increasing number of pharmacies which are offering their products and services at discounted rates. Not much severe but such competition can also be observed in the pharmacy business of Thailand. Shuai et al. (2012), in this regard, has suggested that the pharmacies should not only focus on selling their products as a dispenser but also on other factors to capture the market share. Likewise, the community pharmacies clinging to the obsolete methods have observed a decline in their profits as they could not achieved the "economies of scale" in order to compete with the pharmacies which are offering their products at promotional rates. Singleton and Nissen (2014), has claimed that with the introduction of novel pricing strategies and price reduction has contributed a lot towards diminishing profits of community pharmacies in Australia. Furthermore, what has added to the issue is that the consumers are reluctant to pay extra amount of cash for special services like consultancy and advice from pharmacists as they can get it free of cost these days (Kaae et al., 2018). This demanding attitude of pharmacy consumers is due to the fact that they are being served by the assistants of professional pharmacists and hence they are unable to give appropriate and personalized advices and services (Singleton & Nissen, 2014). The knowledge of the product comes with the work experience; the situation has been illustrated in the figure below:
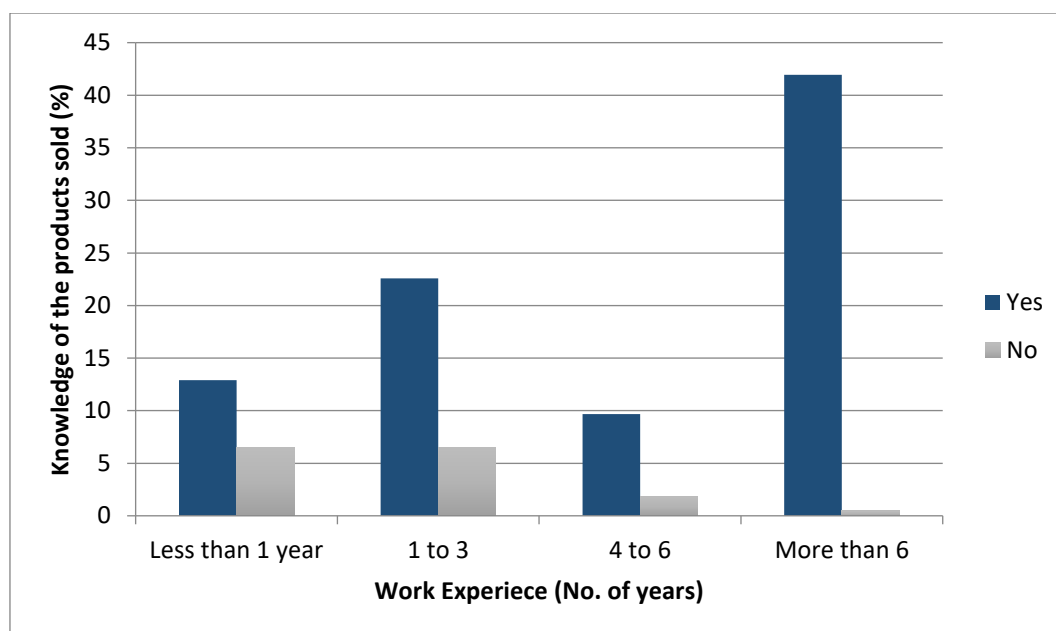
Figure 1: Pharmacy Employees in Thailand

Despite the availability of precedent data available regarding the changing trends in community pharmacies, very limited research has been done on pharmacy business in Thailand (McMillan et al., 2014; White & Klinner, 2012). Customer outcome tends to improve when the pharmacies are aligned with the needs of a pharmacy consumer (McMillan et al., 2014). Therefore, to increase loyal and satisfied customers, it is necessary for pharmacies especially in a dynamic market of Thailand, to become customer centric by augmenting the employee performance. Thus, this study serves the purpose of studying the impact of employee performance (EP) of community pharmacies on customer loyalty. Furthermore, as Hamilton (2009), has asserted that the extra services provided by the community pharmacies tend to enhance customer's perceived value (PV). Therefore, customers' perceived value (PV) and their trust have also been brought under the study to further fathom the relationship between the dependent and independent variables. Likewise, in a study Kaae et al. (2018), has shown that it is the employee who has the most considerable impact on PV and contributes largely in enhancing their trust on the organization. Conversely, studying the same variables, Singleton and Nissen (2014), found out that in the case of community pharmacies, customer loyalty is not always generated through employee performance rather most of the time their trust is gained when the employee behaves with sincerity and competence.

This study is conducted to contribute towards the literature of relationship marketing and serves purpose of understanding customer loyalty. For this purpose, the impact of EP has been studied on two different aspects of customer loyalty named: attitudinal loyalty (AL) and behavioral loyalty (BL) of pharmacy customers. Furthermore, the study shows how consumers' trust and their perceived value (PV) mediate the relationship between employee performance and customer loyalty in

the business of pharmacy in Thailand. The first half of the paper articulates the literature and proposes various apropos hypotheses while in second half, data analysis and findings have been illustrated. In the end, the results are discussed and future research directions are mentioned by the author.

LITERATURE REVIEW
In Thailand, there are more than 15,000 community pharmacies which represent a major chunk of health care industry having more than 80,000 employees. There were times when the medicines in Thailand were handed over to the consumers without any prescription and hence the consumers did not demand any special services. But, it is the story of the past and in today's market pharmacy consumers demand extra services and advices from their pharmacists (Lertsinudom et al., 2018). The shift has been observed because of more informed customers and entrance of discounted pharmacies with special services. Most of the traditional pharmacies has lost huge amount of profits due to lack of indistinguishable services. Furthermore, consumers have become price conscious and not willing to pay more for the same product and are demanding extra services (Hermansyah et al., 2018). This has taken a great toll on competitiveness of pharmacy business and the decision makers are looking for novel ways to retain and attract the customers. Therefore, to survive and compete with discount pharmacies, the executives have put their efforts in enhancing their employees' performance and gain customer trust and loyalty for perpetual profits. In a situation like this, particularly in Thailand, employee performance can play a vital role and assist the community pharmacies to differentiate their services from discount pharmacies and super markets.

Employee Performance (EP)

According to Tomczak et al. (2018), employee performance can be referred to as the collective activities performed by the employees in accordance with the organizational goals including their differentiated behaviors in particular situations. Chao et al. (2018), has further asserted that when studying a variable of the service industry it is necessary to take into account the opinion of its customers particularly about the employee performance (EP). Moreover, as stated by Ali (2018), the perception of a customer about the firm depends largely on the performance of its employees. Hence, in order to achieve desirable customer outcomes it is necessary to focus more on EP and the way in which the employees are providing services to the consumers. The focus of this study is to find the quality of EP in community pharmacies of Thailand. The pharmacy business has been taken into account because unlike the staff of other organizations, the employees affiliated with pharmacy business work as front liners and play a vital role in the success of the business by meeting the demands of their customers. Therefore, it is of utmost importance to augment their performance in order to gain trust and loyalty.

The quality of performance being delivered by the employees is highly dependent upon the way in which the service is given. Hence, both functional and emotional dimensions of performance must be taken into account to achieve the optimum performance quality of the employees of community pharmacies (Lappalainen et al., 2019). Moreover, Guhl et al. (2019), has found that in the view of pharmacy consumers the perceived value of quality is further augmented when the services provided by the employees are augmented by health consultation and socially desirable emotions when they are doing the transaction. Likewise, the employees are expected to show positive attitude and establish reliability in order to build customer trust (Li et al., 2018).

Perceived Value (PV)

On the basis of the analysis done by the consumer of what is given and what is received, a consumer assesses the comprehensive benefits of a product which can be termed as PV (Hallak et al., 2018). Customer's may receive and in return give, and as a result of this exchange, PV is obtained (Wang et al., 2019). PV is not absolute rather competitive and effects the competition. Thus, a company may gain competitive advantage by giving a value better than that of its competitors to a consumer. Hence, consumers receiving better value for their money generally are more satisfied with the treatment rather than those who are unable to gain such better value. Customer value is always kept a priority when making marketing strategies and high value surely increases a customer's loyalty with the company (Budianto, 2019). Observing the pharmacy industry, it becomes clear that the customers do not just receive value for the products that they buy but also for the advice and counseling they get from the concerned pharmacists and medical experts. Liao (2007), also asserts that the a customer's decision to choose a

pharmacy highly depends on the behavior of pharmacists and so the customers that receive free and high amount of information about the products they are purchasing tend to prefer those pharmacies i.e. their loyalty is increased with such services. Similarly, elderly consumers become more loyal and prefer buying from pharmacies where a good relation is built up between them and the pharmacists and where the perceived value of the products and services is high (Wirtz, 2018)

Trust

When an organization shows integrity and reliability in its conduct with the consumer, the consumer put a certain amount of confidence on that organization which can be referred to as trust (Dung et al., 2019). According to Ayios (2018), trust can be defined as the willingness of one party (in this case, the consumer) to be susceptible to the actions and decisions of the second party (in this study, the organization) with the belief that the firm will act in accordance with the desired behavior and performance. Likewise, Cui et al. (2018), has asserted that trust is established when the customer believes that the firm will act according to his/her desired performance and it has the capacity and willingness to deliver the goods or services which are being demanded. Johnson et al. (2005), has shown two different types of trust: cognitive trust and affective trust. The former can be defined as the trust which is result of a ration view of a customer that the firm is competent and reliable in providing him / her the desired services while the latter can be defined as the trust which is the result of emotions which actuate the party to stay in relation with the other (Ramaseshan et al., 2013).

Loyalty

According to Budianto (2019), loyalty can be referred to as a positive and biased behavior shown by the customers in favor of a particular firm, developed with the passage of time and which motivates them to re-visit that specific firm. This definition elaborates and depicts both cognitive and affective aspects of loyalty. Similarly, Hallak et al., (2018), has defined loyalty as a strong and deeply held commitment to re-visit a particular store. According to Rabbanee et al. (2015), the desired effect of customer loyalty is that it encourages the customers to spread positive "word of mouth" and also amplifies customer retention rate. Furthermore, a loyal customer tends to pay lesser attention towards other brands and substitute products and is not affected by discounted prices as compared to an average customer. Owing to this reason, loyalty has been taken as a variable in this study as this issue of discounted pharmacies is pervasive in the pharmacy business of Thailand. Dick et al. (1994), introduced two fundamental dimensions of loyalty: attitudinal loyalty and behavioral loyalty. When the devotion arises from the positive perception of the customers about the goods and services of the firm it is referred as attitudinal loyalty which behavioral loyalty is generated when the positive attributes are shown in the acts of the consumers such as: positive word of mouth (WOM) (Ramaseshan et al., 2013). Moreover, there are

two schools of thoughts regarding the loyalty of the customers. In the light of aforementioned studies it can be said that some researchers assert that true loyalty is only when a customer buys the products of the firm frequently with a positive perception about them.

Employee Performance and Perceived value

In past, various studies have been conducted on employee performance (EP) and the focus of scholars has been on the impact of empathetic and thoughtful attitude of the employees (McMillan et al., 2014; Wirtz, 2018). Additionally, studies pertinent to EP have focused on the relationship between the employees and customers, rapport building between them and achieving customer loyalty and satisfaction through EP (Wirtz, 2018; Zhou et al., 2019). Moreover, Yacob et al. (2018), has studied customer organizational citizenship behavior (OCB) while studying the impact of employee performance. According to Singh (2000), the PV of pharmacy customers is affected by the frontline employees' competence and the quality of service which they are capable of providing. Furthermore, employee commitment and turnover intention has also been found to have significant impact on customers' perceived value. Additionally, Liao (2007), found out that customer perceived value is enhanced when they get better services like remorseful and kind behavior of employees in case of a mistake or if a standard quality of service has not been provided. Nevertheless, there is scarcity of research on the impact of employee performance on customer loyalty in the context of community pharmacies. The above mentioned studies direct us to form the following hypotheses:

H1: Employee performance has positive relationship with customers' perceived value

Employee Performance and Trust

In the context of pharmacy both types of trust are important and hence in this study both dimensions have been taken into consideration. Developing pharmacy consumers' trust is vital for the community pharmacies as it establishes a good reputation and renders the costumers to depend on their pharmacists' advice and they feel comfortable and self-assured to visit the pharmacy in the future. According to Li and Hsu (2018), the factors which mostly affect the customer's trust are: first, the medicines are being dispensed in order and second, the usefulness of the advice given by the pharmacists. Both of these factors are immensely affiliated with the performance of the employees of community pharmacies. Hence, it is hypothesized that:

H2: Employee performance positively affects the trust of the customer

Perceived value, trust and customer loyalty

Wang et al. (2019), has stated in a study that customers' perceived value is the fundamental basis for all marketing activity. Likewise, Evanschitzky et al. (2012), has asserted that when PV is high the investment and interest of consumers in the goods and services of the firm is enhanced. Persaud et al. (2012), in their research have found that high perceived value results in increased purchase intention. Additionally, Wirtz (2018), found that just like PV influences the consumers similarly, it affects the behavior of the firm and encourage them to act in the best interest of their customers. Johnson and Grayson (2005), has shown that trust and loyalty are two facets of a single concept and loyalty is proportional to the amount of trust a consumer have on the products of the organization. Likewise, Li and Hsu (2018), claims that trust developing practices on the side of the firm enhances customer loyalty and motivates consumer patronage. Additionally, in this study both the aspects of loyalty (AL and BL) have been taken into account as in pharmacy business the loyalty of the consumers is the result of both cognitive as well as affective trust processes. On the basis of this literature we hypothesize that:

H3: Perceived value enhances behavioral loyalty

H4: Perceived value increases attitudinal loyalty

H5: Trust and behavioral loyalty has significant positive relation

H6: Trust and attitudinal loyalty has significant positive relation

Perceived value as mediator

According to Rabbanee et al. (2015), customer perceived value is one of the essential determinants of customer loyalty. Furthermore, Yang et al. (2004), showed in their study that when PV is higher the customer patronage also increases and they re-visit the store. Additionally, Budianto (2019), found that the most effective mean of inducing customer loyalty is through providing them with extra-ordinary quality of goods and services. On the basis of above literature, following hypotheses has been drawn:

H7: Perceived value positively mediates between employee performance and behavioral loyalty

H8: Perceived value positively mediates between employee performance and attitudinal loyalty

Trust as mediator

The managers are more focused now-a-days to enhance the relationship between customers and the firm and to ensure this they are putting their efforts to fathom the types of trust which are most effective in attaining consumers' loyalty. As stated earlier, Ramaseshan et al. (2013), found that there is positive relation between trust and loyalty. Furthermore, when there is trust, customers buy the goods and services of that particular firm more frequently (Dung & Trung, 2019). In the light of above mentioned literature following hypotheses has been drawn:

H9: Trust positively mediates between employee performance and behavioral loyalty of the customers

H10: Trust positively mediates between employee performance and attitudinal loyalty of the customers

Research methods

The study has been conducted to find the relationship between EP and customer loyalty with the mediating roles of trust and perceived value in the pharmacy business of

Thailand. The respondents of the study were the pharmacy consumers having relatively long-term relation with the community pharmacies. The respondents were chosen through random sampling technique. Survey questionnaire technique was used to gather the relevant data using five-point likert scale. The responses ranged from strongly disagree to strongly agree (1-5). Finally, PLS-SEM technique was employed for data analysis.

Measures

Only the most viable and relevant instruments to the constructs of the research were used for data collection. The instruments were chosen from previous reliable scales. To study each variable separate and unique items were utilized. For EP and PV five items were used; for

trust two items were used while for AL and BL three items each were used.

Data Collection Procedure

To ensure the reliability of the data and for better understanding of the pharmacy consumers, the respondents were thoroughly guided through the questionnaires. The purpose and importance of the study was also explained. In totality, 27 franchises in Thailand were selected. Each pharmacy was given 40 questionnaires with paid return envelopes. The pharmacies then approached their customers to get the questionnaires filled. Total 643 questionnaires were received and 25 franchises participated in the study. In the end, 606 questionnaires were used for data analysis.
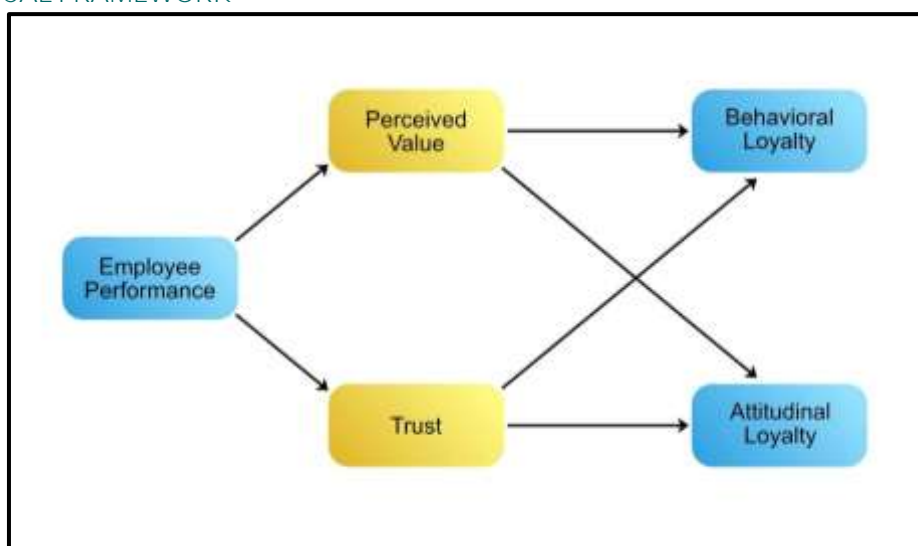
THEORETICAL FRAMEWORK

Figure 2

RESULTS

To study the chosen variables there must be high correlation between the items of all the constructs. Hence, to check the correlation between those items convergent validity test was done. The results showed that there was considerable correlation between all the items taken. It

was concluded on the bases of the Alpha and composite reliability and AVE values. The correlation is said to be high when Alpha and composite reliability of all variables taken is greater than 0.70 while for AVE, the value must be higher than 0.50. Table 2 shows the results of the convergent validity test:

TABLE 2. CFA

Constructs	Items	Loadings	CR	AVE
Attitudinal Loyalty	AL1	0.897	0.943	0.847
	AL2	0.939		
	AL3	0.924		
Behavioral Loyalty	BL1	0.873	0.899	0.749
	BL2	0.865		
	BL3	0.858		
Employee Performance	EP1	0.868	0.913	0.679
	EP2	0.716		
	EP3	0.791		
	EP4	0.864		
	EP5	0.870		
Perceived Value	PV1	0.724	0.893	0.627

	PV2	0.761		
	PV3	0.796		
	PV4	0.830		
	PV5	0.840		
Trust	TR1	0.828	0.879	0.645
	TR2	0.855		
	TR3	0.728		
	TR4	0.798		

To check discriminant validity "Heterotrait-Monotrait ratio" (HTMT) was used which is the latest criteria to check this validity. To ensure discriminant validity, HTMT ought to be less than 0.90 and the results showed likewise. The results of HTMT ratio are shown in the following table 3.

TABLE 3. HTMT

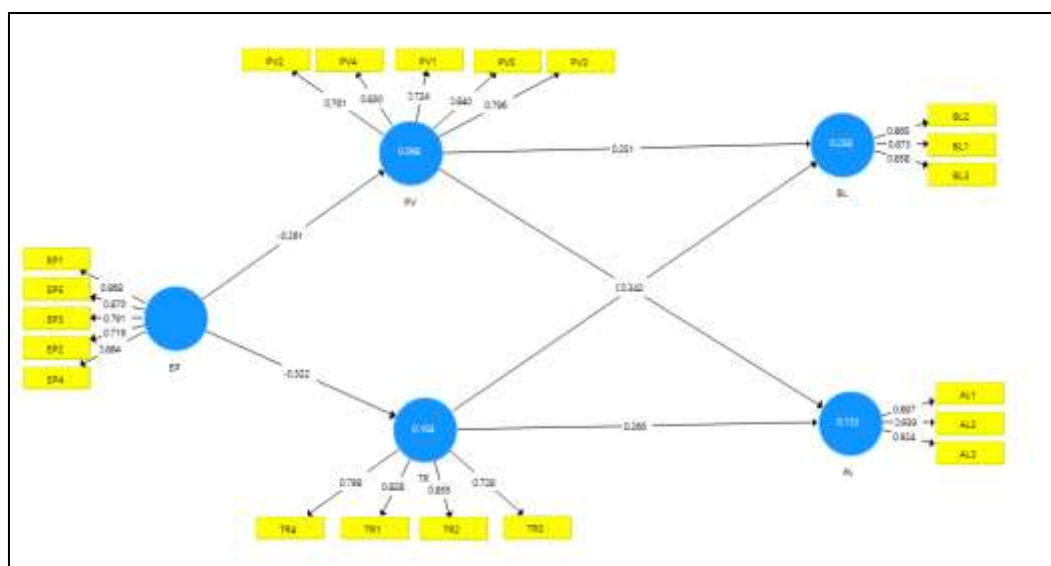|	AL	BL	EP	PV	TR
AL					
BL	0.711				
EP	0.200	0.360			
PV	0.296	0.467	0.289		
TR	0.384	0.548	0.370	0.540	

Figure 3

Following table 3 shows the regression analysis. The results depict that the independent variable i.e. employee performance (EP) has significant relationship with both the mediators i.e. customers' perceived value (PV) and consumers' trust (TR). The positive relationship illustrates the importance of employee performance in the pharmacy business in Thailand. Additionally, the mediators were also found to be positively related to the dependent variables i.e. AL and BL. The analysis depicts that the hypotheses: H1, H2, H3, H4, H5 and H6 are supported. The conclusion has been drawn on the basis of t-values and p-values. As the p-value of all above mentioned hypotheses are smaller than 0.05 and t-values are greater than 1.64 with no zero existing between them hence, the relation can said to be positive. Table 4, shows the path analysis of the study:

SEM

TABLE 4. Main Effects

		Std. Beta	Std. Error	t value	p values	L.L	U.L	Decision
H1	EP -> PV	-0.264	0.064	4.061	0.000	-0.366	-0.155	Supported
H2	EP -> TR	-0.328	0.063	5.088	0.000	-0.431	-0.222	Supported

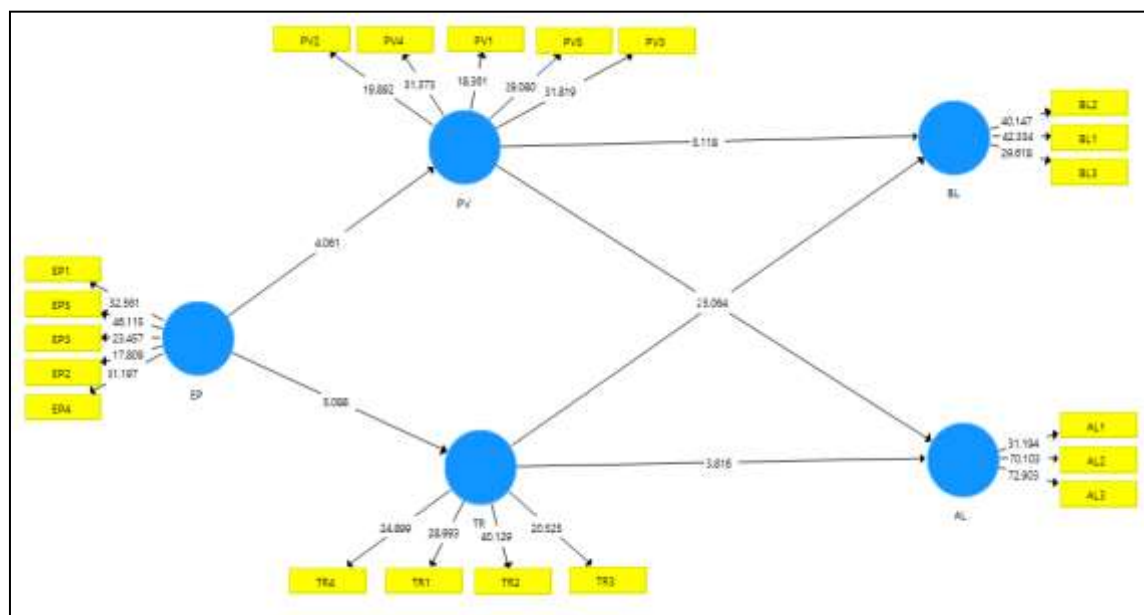|								
H3	PV -> AL	0.158	0.052	2.967	0.002	0.075	0.245	Supported
H4	PV -> BL	0.255	0.049	5.118	0.000	0.173	0.334	Supported
H5	TR -> AL	0.268	0.070	3.816	0.000	0.153	0.380	Supported
H6	TR -> BL	0.341	0.068	5.064	0.000	0.226	0.449	Supported

Figure 4

Bootstrapping analysis of the data collected depicts that both the variables taken in the study positively mediates between dependent and independent variable. Therefore, H7, H8, H9 and H10 are supported. There was no zero between the upper and lower limits indicating that the indirect paths are significant. Hence, to gain customer loyalty the firm can work on enhancing the trust of consumers on their products and services and put effort in augmenting perceived value of their products.

TABLE 5. Indirect Effects

		Std. Beta	Std. Error	t value	p values	L.L	U.L	Decision
H7	EP -> PV -> BL	-0.066	0.022	3.015	0.001	-0.106	-0.034	Supported
H8	EP -> PV -> AL	-0.041	0.018	2.259	0.012	-0.075	-0.016	Supported
H9	EP -> TR -> BL	-0.110	0.025	4.499	0.000	-0.151	-0.071	Supported
H10	EP -> TR -> AL	-0.086	0.024	3.628	0.000	-0.127	-0.049	Supported

DISCUSSION AND CONCLUSIONS

The study serves the purpose of finding the link between employee performance (EP) and customers' loyalty in the pharmacy business of Thailand. Furthermore, the study finds the relationship between EP and consumers' perceived value (PV) and trust with both of its aspects i.e. attitudinal (AL) and behavioral trust (BL). The findings of the paper depicts that there is positive relation between the independent variable (EP) and mediating variables (PV and trust). Additionally, the findings illustrate that PV and trust positively mediates the relationship between EP and customers' loyalty.

The fundamental outcomes of this paper delineate that EP influences AL and BL. Moreover, in this paper both domains of customer loyalty have been considered i.e. attitudinal and behavioral loyalty. Lastly, the major differentiating factor of this paper is that the impact of EP on three major variables have been found in one setting i.e. trust, PV and loyalty. The findings are also in line with the findings of Tsai et al. (2014), according to which, the type of relationship between customers and their service provider immensely affects the level of satisfaction they have with the quality of service being provided.

This paper contributes toward the literature of relationship marketing and loyalty with both of its facets through mediating effects of PV and trust. The study is unique in a sense that it focuses on the pharmacy business in a country like Thailand. As mentioned above, the pharmacy business is a lot different than other retail stores because of the level of service they have to provide in order to satisfy their customers. Moreover, with the entrance of discount pharmacies in the industry the demands of pharmacy consumers have greatly increased. On the basis of these findings the importance of customer

loyalty cannot be set aside in current market situations. The success of many traditional and new community pharmacies therefore, depends on enhancing the performance of their employees and gain consumers' trust. Also, it has been shown above that in pharmacy business it is not easy for the employees to get on good terms with the customers in one or two meetings. Conversely, they have particular skills, knowledge and abilities (KSAs) to persuade them to re-visit their store and repeatedly buy their products and services. Therefore, this research presents the solution in finding the link between employee performance and customers' loyalty and covers a broader spectrum by showing the appropriate behavior of the service providers to make sure they have gained customers' loyalty.

The study also proposes some managerial implications. The results depict that executives and pharmacy owners should invest more on training employees and equipping them with appropriate skills in order to survive and meet the demands of their customers. Unlike, other retail store, the pharmacy consumers demand more sophisticated services, for instant, advice from their pharmacists. Moreover, they want the frontline employees to be more empathetic and show courteous behavior while doing the transaction. Hence, it is necessary for the managers to improve the employees' interpersonal skills, problem solving skills, and customer service capabilities. As stated by Kim et al. (2012), in order to give better service experience it is crucial to serve with empathy and have a smile while doing so which ensures their loyalty. Lastly, this type of interpersonal training is crucial as there has been a swamp of new discount pharmacies which are offering the same products at much lesser prices owing to which community pharmacies in Thailand are losing their market share. Investing in employee training can save the community pharmacies and help them gain customer loyalty and increase profit ratios. This strategy is also significant in differentiating the store from discount pharmacies.

This research is also significant in finding the mediating roles of customers' perceived value (PV) and trust. It shows that loyalty can be augmented when there is a trustworthy relationship between the employee and the consumer. Moreover, when the pharmacy consumers are persuaded that the firm is offering more value in accordance with their expectations they are more likely to re-visit the pharmacy. The perceived value can be enhanced by making sure that all the advertised products / services are available at all times and by publicly promoting the value their products hold. This strategy can help retain the customers.

The study has a few limitations. The research has been conducted in Thailand and focuses on the community pharmacies of this country only. Nonetheless, the findings are very much valuable for various businesses but in future a more generic research could be conducted to find the impact of EP in various setups. Moreover, future studies can take into account other cultural settings to validate the results. Additionally, other independent variables can be selected to find their impact on customer

loyalty. For example, service quality and commitment can be considered as they are relevant to the customers' demands. In this research, to study behavioral loyalty, word of mouth was considered. For future research, other measures could be taken to study BL for instant, referrals and cross-selling. Lastly, future studies can focus on taking demographic variables as mediators and find their role in mediating the relationship between EP and customer loyalty.

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