

## **Transformative Service Research: A Systematic Literature Review**

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### **Abstract**

Services can enhance consumers' well-being. Known as Transformative Service Research (TSR), researchers and practitioners are increasingly focusing upon co-creating service experiences that lead to improved consumers' well-being. This article examines the development of transformative service research from January 2010 to March 2017. Drawing upon journal database searches and application of exclusion criteria, 48 articles were retrieved and then analysed. Two research questions frame this study; What is the dimensionality and scope of TSR and what are the current empirical findings? This study revealed four key findings. Finding one; a consensus exists for dimensionality and scope of TSR. Finding two; inconsistent domain specific measures of well-being. Finding three; broad use of service marketing tools. Finding four; disproportionate focus on service providers. Future research must explore why, despite shared experiences, some consumers identify improved well-being and others a null effect.

*Keywords: transformative service research, consumer well-being, systematic literature review*

*Track: Services Marketing*

### *Introduction and Research Aim*

Services can enhance consumers' well-being. Known as Transformative Service Research (TSR), researchers and practitioners are increasingly focusing upon co-creating service experiences that are transformative, in that they lead to an uplifting change and improvement in consumers' well-being (Anderson et al., 2013). Consumer well-being (CWB) has always co-existed with marketing. CWB is defined as the "alignment of individual and societal needs (i.e. physical, psychological, economic, social) as they relate through consumption" (Burroughs and Rindfleish, 2011, p. 253). CWB is the cognitive and affective evaluations of consumers lives (Diener, 2000). The transformative service economy of Pine and Gilmore (2001) builds on this notion that the prevalence of services impacts the well-being of individuals, communities and the ecosystem. The transformative ability of a service is increasingly being regarded as central to successful service design in the 21st Century (Rosenbaum, 2015).

TSR reviews to date focus on future research agenda (e.g. Rosenbaum, 2015). None of them has systematically evaluated the state of TSR conceptually and empirically. A systematic analysis of the literature in any field of study is fundamental to evaluating academic growth, identify gaps and determine maturity and direction of research (Williams and Plouffe, 2007). A systematic assessment of the body of TSR knowledge is thus needed to address two key areas. Firstly, the dimensionality and scope of TSR. TSR applies marketing tools to 'solve real problems' (Anderson and Ostrom, 2011). An understanding of how TSR is defined in the extant literature will help determine the real problems TSR can help solve. Secondly, the empirical outcomes and implications of well-being improvement, as a result of transformative services. A analysis across multiple transformative services on how each have improved or not improved well-being helps inform future research needs for academia and practitioners. The aim of this study is:

*To investigate the co-creation of well-being outcomes within transformative services.*

We address two research questions in line with this aim:

**RQ1:** What is the dimensionality and scope of TSR

**RQ2:** What are the TSR well-being empirical research outcomes and implications

### *Background*

TSR is still in its infancy. TSR is commonly defined as "the integration of consumer and service research that centres on creating uplifting changes and improvements in the well-being of consumer entities: individuals (consumers and employees), communities and the ecosystem" (Anderson et al., 2013, p.2). TSR conceptual framework as posits by Anderson et al. (2013) is underdeveloped. Anderson et al. (2013) posits that within a macro-environment, the interaction between a service entity and a customer entity at either the individual, collective or social ecosystem level can lead to well-being outcomes. TSR has been conceptualized at the intersection of transformative consumer research (TCR) and service research (Anderson et al., 2013). TCR researches the welfare of consumers, societies, and the environment at large (Mick, 2006). TSR expands on TCR, with the inclusion of SDL, by focusing on the co-creation of well-being (Vargo and Lusch, 2008). TSR's approach toward resolving societal well-being issues is very similar to social marketing's scope, goal, and use of the marketing mix (Kuppelwieser and Finsterwalder, 2016). However, social marketing focuses on the behaviour change first then how to leverage stakeholders to change those behaviours. Conversely, TSR focuses on the service provider and how their actions *with* their consumer, impacts the consumer's well-being (Kuppelwieser and Finsterwalder, 2016).

TSR applies marketing tools to improve consumers' well-being (Anderson et al., 2013). The World Health Organization (WHO, 1946) defines well-being not merely as the absence of

disease or infirmity but as a state of complete physical, mental and social well-being. TSR focuses on two types of consumer well-being; hedonic and eudaimonic (Anderson et al., 2013). Hedonic well-being is grounded in the ideas of happiness, in terms of pleasure attainment and pain avoidance (Ryan and Deci, 2001). TSR hedonic well-being include: life satisfaction, positive affect, and the absence of negative affect, such as tension, fear, strain, and stress (Anderson et al., 2013). Eudaimonic well-being describes the realisation of human potential (Waterman, 1984). TSR eudaimonic well-being includes; literacy, access to a service, better decision making, health, decreasing disparities, consumer involvement, harmony, power, respect, support, and social networks (Anderson et al., 2013).

### *Methodology*

Following the systematic literature review procedures outlined by Williams and Plouffe (2007), was conducted to identify transformative service research (January 2000 to March 2017). Ten peer-reviewed databases were selected from an Australian university library business database homepage. The search term used was; “transformative service/s.” Records were collated using Endnote. Duplicate records were removed, resulting in 273 unique records. In the next stage, titles and abstracts were reviewed and records classified into the following exclusion criteria were excluded; transformative service not in title or abstract, editorial only, transformative service used as context only, well-being not focus of research. Following the application of the exclusion criteria, 45 articles were identified. Backward and forward searching identified another three relevant studies. In total, 48 articles were included in the analysis. Table 1 shows the literature search process.

**Table 1: TSR Systematic Literature Review Process**

	<b>Step Action</b>	<b>Action Taken</b>	<b>Articles</b>
<b>Round 1</b>	Select suitable databases	Business Databases (7) + Multidisciplinary Databases (3) Peer-reviewed journal article databases only.	
<b>Round 2</b>	Search for "Transformative Service/s"	Databases (10): Emerald (59), EBSCO (54), ProQuest (129), Informit (0), Taylor and Francis (55), Wiley (12), Google Scholar (110), Scopus (56), Web of Science (50), Ingenta Connect (38)	563
<b>Round 3</b>	Remove Duplicates	Removal of Duplications	-290
<b>Round 4</b>	Apply Exclusion Criteria	Transformative service/s not in title or abstract	-173
		Editorial only	-34
		Transformative service/s used as a description of study context only	-21
<b>Round 5</b>	Backward/Forward Search	Key articles that match above criteria that were cited in found papers but not found in initial search added to list	3
<b>Round 6</b>	Final Records	Final Number of Papers Used for Review	48

### *Results and Discussion*

TSR emerged in 2010 and conceptually defined in 2013. Since Anderson et al. (2013) seminal paper, TSR publications have increased by over 250%. TSR research has been conducted in North America (35%), throughout Europe (31%), Asia (13%), Australian & New Zealand (13%) and other (6%). Leading service marketing researchers have contributed to TSR including; Rosenbaum MS, Corus C, Ostram AL, Anderson L, Fisk RP, Gallan AS,

Giraldo M, Mende M, Mulder M, Rayburn SW, Shirahada K and Williams JD. However, it was noted that there are less than 20 published papers per year and a slight drop in 2016 compared to 2015.

### **Dimensionality and Scope of TSR**

A consensus amongst researchers exist for the dimensionality of TSR. Almost all (96%) of TSR research defined TSR within the context of creating uplifting changes for consumers and society. All TSR researchers consider the relationship between service provider and consumer within a macro-environment. However, no empirical study has explored the degree to which the macro-environment effects the co-creation of well-being in transformative services. The relationship between consumer and service provider and degree to which value needs to be transformative to improve well-being is where TSR researchers differ. Black and Gallan (2015) suggest the relationship between consumer and service provider is best defined by the consumer's network to collaboratively co-create value. Cheung and McColl-Kennedy (2015) argue institutional logics such as socially constructed values, beliefs and rules best define the relationship between consumer and service provider. In determining the degree to which value need to be transformative, Blocker and Barrios (2015) argued that both transformative value (uplifting changes) and habitual value (everyday domain-specific needs) contribute to well-being. Corus and Saatcioglu (2015) suggest that well-being outcomes should include consumer disadvantages such as low income or illness. As TSR matures and empirical research expands, the relationship between consumers and service providers within a macro-environment to advance well-being will become clear.

TSR scope is broad by design. Healthcare dominates empirical studies to date with 40% (e.g. Hamed et al., 2017), followed by 22% retail/ hospitality/ utilities (e.g. Nasr et al., 2014), 15% tourism (e.g. Magee & Gilmore, 2015), 12.5% finance (e.g. Sanchez-Barrios et al., 2015), and just 6% for education (e.g. Nguyen Hau and Thuy, 2016). Ostram et al. (2015) outlined that the scope of TSR should include; sustainable delivery of services, technology-enabled well-being services, explore the role of all types of services in advancing well-being, design services for vulnerable consumers, and increase access to critical transformative services.

### **TSR Empirical Research Outcomes: Well-Being**

TSR researchers do not agree on how to define and measure well-being. All TSR well-being researchers (N=32) have used domain specific instruments to measure well-being, exploring either or combination of, subjective and objective well-being. Objective well-being has been measured as; better health (e.g. Rosenbaum and Smallwood, 2011), improved access (e.g. Schuster et al., 2015), and better financial situation (e.g. Mende and van Doom, 2015). Subjective well-being has been measured as perceptions of happiness (e.g. Nasr et al., 2014), goal achievement (e.g. Tang et al., 2016), quality of life (e.g. Sweeney et al., 2015), and satisfaction (e.g. Sheng et al., 2016). Majority of studies (53%) focused on hedonic well-being, with 40% focused on eudaimonic well-being and just 7% explored both. For service providers and researchers, the inconsistent and domain specific measurement of well-being creates challenges when adapting to different transformative services.

TSR well-being studies provided an overall positive impact for their consumers. All TSR researchers used an established or emerging services marketing model to determine if those strategies influence or improve well-being. The leading concepts include: a) service design and servicescape, 22% of studies (e.g. Rosenbaum et al., 2016), b) co-creation, 19% of studies (e.g. Anderson et al., 2016), c) service quality, 16% studies (e.g. Akter and Hani, 2011) and d) 12.5% of studies used attitude, motivation or goal based marketing theories such as theory of planned behaviour (e.g. Wunderlich et al., 2013), self-determination theory (e.g.

Mende and van Doorn, 2015) and goal directed behaviour (e.g. Schuster et al., 2015). Majority of empirical TSR studies (50%) have been exploratory, 37.5% descriptive, with 9.5% longitudinal, and 3% case studies. However, just 12.5% of well-being studies investigated well-being advancement, measuring before and after the service encounter (Ellway, 2014; Mende and van Doorn, 2015; Tang et al., 2016; Tonner, 2016). The variance in approach further reinforce TSR as a research agenda, with researchers exploring different organisational strategies as defined by different service marketing concepts.

TSR researchers focus more on service providers. The role of the consumer in the interaction with the service provider to improve well-being was explored in 25% of studies. In 75% of those studies, 50% of which using netography, investigated extraordinary service situations such as natural disaster relief (Cheung and McColl-Kennedy, 2015), volunteerism (Mulder et al., 2015), service failure (Zayer et al., 2015), tourism online complaints (Dekhili and Hallem, 2016), limited or no access to service (Bone et al., 2011) and liminal consumption (Tonner, 2016). Only 25% of studies, each exploring eudaimonic well-being, explored the role of the consumer in ordinary service situations including; financial literacy (Mende and van Doorn, 2015) and healthcare and higher education (Nguyen Hau and Thuy, 2016). Both studies explored either participation or involvement of consumer within the service encounter. Beyond customer participation or involvement, little is still known as the role of the consumer in advancing their well-being within a service encounter. For example, why do some consumers indicate a positive well-being improvement and others a null affect, despite shared experiences.

#### *Implications for Theory and Practice*

This article attempted to evaluate the state of TSR research from 2010 to 2017. The systematic review revealed four key findings. Finding one: a consensus exists for dimensionality and scope of TSR, which has enabled researchers to focus on co-creation of well-being. Researchers have demonstrated consumer well-being can be improved with service providers. Finding two: inconsistent domain specific measures of well-being, making meta-analysis or comparative studies difficult. Questions remain as to what degree does value need to be transformative to improve well-being (Blocker and Barrios 2015). Finding three: broad use of service marketing tools, which makes it difficult for service providers to adopt change. Finding four: disproportionate focus on service providers. Researcher's associate positive perceptions of organisational strategies with positive perceptions of well-being, such as happiness, without exploring what it is about that association that led to improved well-being. For example, it may be possible that consumers were happy before the service experience. Additionally, despite shared experiences, why do some consumers indicate improved well-being, and others do not? Service providers require this clarification. Proposed future research directions based on key findings (two-four) include: consolidating measures of well-being for TSR, comparative studies between alternative service marketing tools within different context, to give further guidance to practitioners on ideal transformative service design, and explore the role of consumer engagement in the co-creation of well-being within transformative services.

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