Transformative Service: Leveraging Future Progresses through an Inclusive Approach

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ABSTRACT

This paper adds to the research agenda for the emerging area of transformative service research (TSR), by discussing the contemporary contribution of TSR, infuse a ‘Life course perspective’ on TSR, and present an inclusive co-transformative service framework. With this framework and a focus on well-being outcomes, processes and initiatives, this paper also identifies new research paths for further theory development. Based on the redefined TSR concept, it is suggested that more research efforts are allocated to explore how to initiate, and stage for co-created transformative service processes on individual, organizational and society level, and to identify resources needed to bring uplifting changes and improvements in the well-being of active consumers, engaged organizations and society at large.

Keywords: Transformative service research, service dominant logic, life course perspective, well-being, quality-of-life

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1. INTRODUCTION

The research traditions in service marketing have progressed remarkably from the earliest developments in conceptualizing, characterizing, and modeling aspects of ‘service’ as a distinct field under the overarching discipline of marketing to more recent discourse on service-dominant logic (Vargo & Lusch, 2004, 2008), service logic (Grönroos, 2006), value creation and co-creation (Grönroos, 2008; Payne et al., 2008; Vargo et al., 2008). This evolution continues and only very recently a number of priority areas of service research have been put forth in Ostrom et al. (2010, 2015). These priority areas include service innovation, service infusion and growth, well-being through transformative service, and the use of technology and big data (Ostrom et al., 2010, 2015). Transformative service research (TSR) has been identified as one of the major research priorities with the need for service research focusing on well-being that can bring important change to customers’ lives. This means that the service research incorporating the notion of transformative service is currently at a nascent stage, and thus permitting interested researchers to add to the basic idea behind transformation and transformative role of services as well as to question the newfound interplay between well-being and transformation.

Reviewing articles on transformative service for well-being, it became most obvious that the research focus of TSR primarily has been on consumers as the unit for analysis and well-being positioned as an outcome, as a result of service consumption. There are some exceptions, but, especially if a service logic perspective on marketing is applied and service system thinking is adopted, research on resources for and processes of transformation services have scarcely been discussed. Furthermore, other units (than consumers) for analysis can be included in transformative service research. With the current level of understanding, it is worthy to discuss if the focus of TSR should only be limited to consumer well-being or should the discussion also include interdisciplinary perspective that potentially can aid the service providing firms to start the transformation from within the organizations to generate positive outcomes for service customers.

The purpose of this study is to continue and extend the ongoing dialogue on transformative service and research opportunities surrounding it. In doing so, the study aims to clarify where this new research paradigm stands today in terms of its key focus, and how it relates its interconnection with human as well as broad societal well-being. The relations among the orientation of transformative service potentials for firms, research potentials for academic research community, and well-being for varied units are described by pinpointing further well-being dimensions, theoretical foundation, and inclusion of organization-facing perspective. The discussions on these areas suggest, and perhaps, necessitate a refinement of current conceptualization of transformative service research. The study, thus, offers a new, inclusive definition of transformative service research which has both theoretical and practical relevance. This study is the first attempt to look beyond the customer-facing potentials of transformative service and its research frontiers by bringing organizational issues that matter for ensuring meaningful change and thereby makes a crucial contribution to the existing scant literature. Since transformation of human lives and broader community-level, ecological changes are desired to be contributed by service providing and/or service-facing organizations, so the discussions of this
study can assist organizations to initiate internal transformation through their own practices.

The remainder of the study unfolds as follows. First, the current conceptualization of transformative service is discussed from a critical standpoint. Second, the discussion on the very recent research on transformative service and well-being is highlighted. Third, possible alternative aspects of well-being are explained which can add to what have been explored through very recent transformative service research. Fourth, a theoretical perspective from other discipline is discussed in an anticipation to add to the discourse of transformative service. Fifth, the organizational perspective of the transformative service is discussed with an inclusive framework. Sixth, a refined conceptualization of transformative service research is offered. The final section of the study presents conclusions.

2. PRESENT CONCEPTION OF THE TRANSFORMATIVE SERVICE RESEARCH

The present conceptualization of the transformative service and the related research focus has originally emanated from the idea of transformative consumer research advocated by the Association for Consumer Research. The Association mentioned several important aspects of transformative research when it defined such research as “investigations that are framed by a fundamental problem or opportunity, and that strive to respect, uphold, and improve life in relation to the myriad conditions, demands, potentialities, and effects of consumption.” (Mick, 2006, p. 2). Central to this definition is the idea of ‘improving life of consumers’, which has been precisely tied to the notion of ‘well-being’ while defining transformative service.

Anderson et al. (2011, p.3 cited in Rosenbaum et al., 2011) defined transformative service research as “… research that centers on creating uplifting changes and improvements in the well-being of individuals (consumers and employees), families, social networks, communities, cities, nations, collectives, and ecosystems”. This current conception of transformative service not only indicates the well-being for individual service customer, but also brings a holistic view by incorporating macro-level or community-based well-being. Anderson et al. (2013) also addresses this holistic view of consumers by bringing collectives (e.g. community), and ecosystems alongside individual customers. It is argued that the interactions between service and consumer entities create well-being outcomes such as access, literacy, reduced disparity and so on (Anderson et al., 2013).

Nonetheless, two issues to be mentioned here in relation to the definition of the transformative service and the envisioned well-being outcomes. First, what measures can be put in place to identify or trace ‘uplifting change’? It is possible to trace some change in life conditions by applying quantitative means (e.g. improved financial gain, increased household income). But, there can be qualitative measures as well to trace notable positive change. And, this connects to the second issue related to the well-being outcomes. It means that specific physical, psychological, and possibly flourishing well-being measures can be used to identify meaningful change in customers’ lives in addition to proposed well-being outcomes of (Anderson et al., 2013).
3. TRANSFORMATIVE SERVICE RESEARCH: ITS PRESENT CONTRIBUTION

This section focuses on the recent developments in the transformative service research, especially focusing on the areas of research that are inherently related to transformation through consumer well-being as well as other novel ideas (e.g. transformation of service system). In this connection, and to initiate the literature review, the scientific works published in the special edition of the Journal of Service Research (2015, 18(3)) on transformative service research are explored. The concentration on this edition of the journal can also be attributed to the dearth of existing literature on transformative service research as it is emerging as a promising field of service research. The apparent relation between transformative service and well-being are discussed below in three successive sub-sections in the order of the three themes mentioned in the editorial (Anderson and Ostrom, 2015) of the Journal of Service Research (2015, 18(3)): destruction of value and negative service, social and collective levels related to service and well-being, and consumer activities and well-being. According to our understanding, the sub-sections are labelled as well-being in negative service context, macro-level service and well-being, and micro-level activities and well-being respectively.

3.1 Well-being in negative service context

The article by Skålen et al. (2015) emphasized the transformation of service systems in the context of the Syrian part of the Arab spring. This means the conflict between the Syrian government and the activists helped the later to form innovative service systems to support the cause that they were pursuing at that time. In this connection, the transformation of service systems took place through value co-creation and resource integration as conceptualized by Vargo and Lusch (2008). The second article under the first theme identified consumers’ co-production behaviors in healthcare setting. Even though, there was no explicit account was made in relation to patients’ well-being, the study only implicitly indicated that the failure to comply with the prescribed and expected medication consumption behavior can lead to enhanced physical and mental stress and thus reduced well-being (Spanjol et al., 2015). The novel idea of this study is that patients’ co-production behavior varies across different time interval and scope of co-production, which leads to implicit health-related well-being. Zayer et al. (2015) identified consumers’ distinct experiential framing following failure of service in high-risk healthcare context. Even though, the relationship between transformation and subjective and/or psychological well-being has not been established directly to bring meaningful change (e.g. parenthood) in patients’ lives, the study indicates that the patients of high-risk services may experience reduced psychological well-being (e.g. stress, worn-out relation with physicians) as well as financial well-being in addition to health risk associated with a service failure (Zayer et al., 2015).

3.2 Macro-level service and well-being

The second theme starts with the article by Blocker and Barrios (2015) in which transformative value has been conceptualized as a social dimension that brings major changes for individuals and collectives. According to Blocker and Barrios (2015), transformative value intervenes to create greater well-being through bringing progressive social changes. Transformative value creation can be linked to psychological well-being and can lead to eudaimonic outcomes such as decreasing inequality (Blocker & Barrios, 2015). In this way, transformative value links well-being
dimensions at a greater societal level. Another study of organizations’ workplace wellness programs, it is identified that employee engagements in wellness programs are high among organizations that rely on social movements (e.g. using social capital and resources), not on cost-saving measures (Mirabito & Berry, 2015). This engagement leads to employees’ enhanced physical, mental, and spiritual well-being. Transformation takes place in two areas: transforming personal identity by seeing positive changes in self, and transforming collective identity by seeing oneself as valuing and practicing norms and practices as part of a group or team (Mirabito & Berry, 2015). Unlike the other studies, the study by Yao et al. (2015) used quality-of-life indicators instead of well-being dimensions. However, the study identified four online social supports among which emotional support was found to influence all three quality-of-life indicators: physical, psychological, and existential. The transformation or meaningful change in patients’ lives is shown by the presence (or achievement) of quality-of-life measures. In the context of financial services, Winterich and Nenkov (2015) suggest that financial well-being (for instance, greater return from investment) can be enhanced by incorporating the informational influence on the financial decision making. This is particularly the case for those consumers who have thoughtful and planned mindset characterized by greater openness to receive beneficial investment information. Like the previous study by Yao et al. (2015), this study also implicitly associated well-being with the transformation of consumer lives through meaningful financial outcomes.

3.3 Micro-level activities and well-being
The third theme of the transformative service research focused on the consumers’ roles and activities associated with value co-production and co-creation which ultimately lead to well-being. In the healthcare service context, Sweeney et al. (2015) identified three categories of customer efforts in value creation activities which further positively influences customers’ quality-of-life as well as satisfaction and behavioral intentions. The study demonstrated the quality-of-life as an outcome of increased efforts of the customers while involving in value creation activities. In that respect, it can be assumed only lightly that there is an association between quality-of-life and transformation since no explicit issues mentioned in this matter. The transformative service and transformation of consumer lives have been grasped through the lens of well-being quite clearly by Mende and Doorn (2015) in financial service context. The study posited that financial literacy, attachment styles, and involvement influences coproduction behavior of customer, which in turn influences objective financial well-being in the form of credit score. Change in objective financial well-being has been found to influence the subjective well-being of financial stress (Mende & Doorn, 2015). Contextualized at the base of the pyramid consumers of financial services, Martin and Hill (2015) identified that greater social-level poverty reduces the influence of saving behavior of consumers on their well-being. However, savings are found to improve individual well-being in those societies that are plagued by higher level of poverty. The study used the subjective assessment of life satisfaction and happiness as part of well-being measures. It means that transformative role of services again reinforced by focusing on the outcome-level concept of well-being.

From the above discussion, it can be argued that the present discourse on the transformative service is mostly centered on consumers’ well-being or quality-of-life aspects. Nonetheless, specific well-being categories and their underlying dimensions
are only sparsely discussed. Table 1 presents the identified well-being outcomes and inferred well-being outcomes that can be traced from the present transformative service research literature. Apart from defined perspective on transformative service and well-being, two articles brought unique ideas such as service system transformation and transformative value. Other identified well-being outcomes either concentrated on physical, psychological, financial, and spiritual well-being (Table 1). Only financial well-being has been stretched into objective and subjective categorizations. A number of well-being outcomes can be inferred from this present literature: societal- or community-level well-being, physical and psychological well-being. It means that in specific research contexts, it can be inferred what other well-being dimensions could be tied to those contexts as well as to the findings. In this connection, this study tries to figure out what other dimensions of well-being can be incorporated to make a holistic understanding of transformation of human lives from service marketing context? What should be the starting point of this transformative potential of services? Is not it worthy to reflect on the consumers’ life course and experience before trying to bring changes that are meaningful to them? These are some of the important issues that deserve attention and thus discussed in the subsequent sections.

Table 1: Present contribution of transformative service research

<table>
<thead>
<tr>
<th>Emphasis</th>
<th>Authors</th>
<th>Identified Well-Being Outcome</th>
<th>Inferred Well-Being Outcome</th>
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<tbody>
<tr>
<td>Negative service, co-destruction, and well-being (Operable both at macro- and micro-level)</td>
<td>Skålen et al. (2015)</td>
<td>Changed service system</td>
<td>Societal- or community-level well-being</td>
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<tr>
<td></td>
<td>Spanjol et al. (2015)</td>
<td>Behavioral adherence to prescribed medication</td>
<td>Physical well-being; psychological well-being</td>
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<tr>
<td></td>
<td>Zayer et al. (2015)</td>
<td>Attributing service failure</td>
<td>Physical well-being; psychological well-being; financial well-being</td>
</tr>
<tr>
<td>Macro-level (e.g. social) service and well-being</td>
<td>Blocker and Barrios (2015)</td>
<td>Social transformation or changes of biases; psychological well-being; reduced inequality</td>
<td>Societal or community-level well-being</td>
</tr>
<tr>
<td></td>
<td>Mirabito and Berry (2015)</td>
<td>Physical, mental, and spiritual well-being</td>
<td>Community- or group-level well-being</td>
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4. IMPENDING PROMISES OF WELL-BEING IN TRANSFORMATIVE SERVICE RESEARCH

This section discusses the possible well-being dimensions that can be incorporated into the future research. As discussed in the previous section, the present transformative service research broadly uses the terms such as physical, psychological, and also economic or financial well-being. Financial well-being has been specifically identified to have both specific objective and subjective components (Mende & Doorn, 2015). Nevertheless, with the availability of long and elaborate research traditions in well-being research, it is worthy to ponder on more general as well as specific areas that can be tied to the current understanding of transformative research. Several of these future promises are mentioned below:

(a) As conditions such as good social relations, environmental influence (e.g. family influence), and major life events (e.g. job loss/unemployment) can exert greater influence on subjective well-being (Larsen & Eid, 2008; Suh et al., 1996), so transformative service research can investigate the role of service providing organizations in, for instance, influencing good relations among social agents and thus enhancing well-being.

(b) A very recent idea of “Flourishing” has emerged to measure well-being, especially mental well-being. Thus, in the context of some services that are ‘transformational by design’ (Rosenbaum et al., 2011) such as healthcare, the transformative service research can incorporate the proposed ten specific measures of mental well-being (Huppert & So, 2013): competence, emotional stability, engagement, meaning, optimism, positive emotion, positive relationships, resilience, self-esteem, and vitality. Alternatively, ‘Flourishing Scale’ (Diener et al., 2010) can be applied to test psychological and social well-being of consumers in other service contexts.
It is at the core of current understanding of transformative service research that in addition to changing lives of individuals, it is also crucial to look at what societal or collective change can be realized through service (Rosenbaum et al., 2011). It is evident from well-being literature that individuals’ self-reported well-being measures societal well-being (Oishi & Schimmack, 2010). In other way, the societal well-being is relying on individuals’ sense of freedom, trust, and social relationships (Oishi & Schimmack, 2010). Thus, transformative service research can look into these dimensions of societal well-being in future research.

5. ENGAGING ADDITIONAL THEORETICAL BASE IN TRANSFORMATIVE SERVICE RESEARCH

This section builds on an additional customer-facing (e.g. individual, collective/family) theoretical understanding from other discipline that can be incorporated into the discourse of transformative service research. The use of theories from sociology (e.g. social movement theory, strategic action field theory), psychology (e.g. deliberative mindset theory, ego depletion theory), and motivation and personality (e.g. self-determination theory) form the major theoretical bases that can be found in existing literature on the transformative service research. Thus, it is perhaps the right time to look at some promising theoretical scholarships that can aid in the further development of transformative service research. In the following section, the sociological concept of ‘life course’ is discussed and possible transformative service research agenda are outlined.

Life course and transformative service: An important question to begin with: how a service provider can bring uplifting change in customers’ lives without knowing what happened to their lives in the past, which can have profound impact on the way consumers choose a particular way of service consumption? The answer almost inevitably brings the sociological perspective known as ‘Life Course Perspective/Paradigm’ since it focuses on dynamic, interdependent pathways of individuals lives (Elder, 1994). More specifically, the life course perspective refers to the intertwined age-based trajectories (e.g. schooling, work career) that change over time due to the presence and influence of changing conditions and future opportunities (Elder, 1994). With the emphasis given on the age and time in this sociological perspective suggests that even if the transformative service’s key focus is to enhance well-being, then different age group or cohort would have different well-being dimensions at different stages of consumers’ lives. Ryff and Keyes (1995) stressed this idea while validating the structure of psychological well-being though no account was made in relation to transformative service. Service research can thus focus on customers’ early life events and explore later experiences and events emanating from and/or linked to those earlier events.

Moschis (2007) envisioned to apply the life course perspective in the context of consumer behavior. It is argued that there are three different theoretical perspectives involving consumer research: normative, stress, and human capital (Abeles et al., 1980 cited in Moschis, 2007). The potential of these three perspectives in transformative service context is summarized in table 2.
Table 2: Potential of life course perspective in transformative service research

<table>
<thead>
<tr>
<th>Theoretical Perspective</th>
<th>Key Focus*</th>
<th>Prospective Transformative Service Research Areas</th>
<th>Example of Service Context/Condition</th>
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</table>
| Normative               | Role transition takes place with the change in age cohort at the different life stages. | • Informing customers about what roles are expected  
• Identifying the key events leading to a role exit and helping customer to create new identity | Child rearing education |
| Stress                  | Life events create stress on individuals and thus require coping to readjust and control life outcomes. | • How services can reduce physical and/or mental stress resulting from changes in service provision from one life stage to other? | Financial service (e.g. Investment bank); Drug rehab service |
| Human capital           | Life events are the sources of knowledge, and intellectual qualities and thus bring behavioral as well as mental changes. | • How service providers update and educate customers about technology changes and the implications for service consumption? | Healthcare service (e.g. aiding technology-based healthcare literacy) |

* Moschis, 2007

6. INITIATING MEANINGFUL CHANGE AT PROVIDER’S END

The existing conception and research paradigm of transformative service research have interestingly neglected the organizational focus while bringing meaningful change for consumers, communities, and societies. It means that transformative service research should not be confined to the discourse of customer-facing well-being, which is essentially an outcome-level concept. Alternatively, it suggests that transformative service research should also include matters that can lead to internal organizational meaningful change, which ultimately result in customer (both individual and collective) well-being. As discussed earlier, current research in organizational sphere looks only into employee well-being through participation in the workplace wellness programme. However, there are other areas within an organization’s and its network’s boundary which can potentially influence the initiation of transformation or meaningful changes.

In organizational transformation context, Ramaswamy (2009) suggested that employee engagement through empowerment is essential for co-creating customer value. Empowered employees are found to have greater job knowledge as well as improved self-confidence and strain (Leach et al., 2003). Another way to look into the internal organizational transformation is to shed light on the innovation and
technology perspectives. On the one hand, innovation and technology infusion in company activities and processes require resource commitment (Srivastava & Gnyawali, 2011). On the other, organizational leadership style influences the innovation focus within the organization (Jung et al., 2008). Transformational service design initiative of a firm is still another area, which highlights the need for building progressive customer- and community-centered design culture within the organization (Sangiorgi, 2011). This means that a number of factors might contribute to firm-facing internal transformation, which ultimately interact with customers and/or their broader spheres (e.g. customer ecosystem, network) to produce meaningful and sweeping changes.

Since the basic notion of service provision is reflected through interactions, participations, and co-production, thus it is equally important to look at the transformational processes within customers and their expansive circles (e.g. communities and society at large). These can include (but not limited to) customers’ own processes, technology, other resources, adaptive mindset or openness, capacity, and so on which interact with the organizational matters and thus can lead to the optimum change in their personal and social lives. Capacity-building is among the major ingredients for social level transformation (Maton, 2000). Thus, it signifies the need for capacity-building at the individual level that can, in the end, result in community or society-level transformation.

**Figure 1: Inclusive co-transformative service framework**

An inclusive co-transformative service framework is exhibited in Figure 1. The framework considers both firm-facing and customer-facing transformation. The logic of including firm-facing dimension is that if only organizations build and nurture internal culture through leadership, openness, processes, resources, empowerment, and so on, then there will be opportunity for developing transformative service designs which can directly and/or indirectly contribute to customer (e.g. individual, collective) well-being. At the same time, the internal transformative culture should contribute to internal employee well-being. In addition to firm’s effort to generate well-being at customer’s end, customers themselves need to have capacity (e.g. knowledge), openness, resources, and technology so that their own processes can
add to their overall well-being. Thus, the customer-facing transformation happens in customers’ sphere that involve interactions with organizations, customer collectives (e.g. family, support group), and society and community.

7. REDEFINING TRANSFORMATIVE SERVICE RESEARCH THROUGH NEW LENS

This paper argues for widening perspective on transformative service research. Inspired by transformative consumer research (Davis & Pechman, 2013) service marketing researchers (Anderson et al., 2013) have mainly, so far, focused on transformative services for well-being outcomes. As discussed in the previous section, there is an obvious need to look at the organizational context as well since meaningful change must have a definite start point irrespective of whether we think about an organization alone or take into consideration the broader network perspective. It means that we might be (or, should be!) interested to see the well-being as an inescapable end result of transformative initiatives of organizations, but the focus of transformative service research should also incorporate the internal organizational transformation as an equally important area of such research. With this understanding, the transformative service research is redefined as follows:

Transformative service research refers to research that focuses on internal organizational initiatives, processes, and outcomes that are linked to and supported by the broader network and external environmental dimensions for internal transformation, that aims to bring well-being for individuals, collectives, societies, communities, and ecosystems in the form of meaningful and sustainable physiological, psychological, social, economic, and environmental transformations.

In this definition, the focus on internal organizational initiatives, processes, and outcomes are highlighted. According to this definition, a service providing and/or service-facing organization should strive for employee and internal community well-being as an outcome among other traditional financial or economic outcomes. Academic researchers, thus, need to incorporate these internal, organization-facing activities, processes, and outcomes while engaging in transformative service research. The definition also specifies what it might mean to be an ‘uplifting’ change. In this connection, this conceptualization defines such changes in the form of physiological, psychological, social, economic, and environmental changes. However, these are not an exhaustive list of changes. Future researches and practices can certainly add to these refined specifications of meaningful changes.

8. CONCLUSION

This study aims to discuss and extend the relation between the emerging research tradition of transformative service and well-being beyond the present customer-facing perspective by including an organizational or firm-facing perspective. The latest service research priorities emphasize the need for research involving services that can bring meaningful elevating changes in consumers’ lives. These changes are conceptualized as transformational change with specific connection to consumer well-being. And, consumer well-being is not planned to be restricted only within individual customer sphere, rather it involves greater societal and collective
perspectives. The present limited but emerging transformative service research literature reveals several aspects of well-being such as physical, emotional, and financial well-being. At the same time, the present literature brings novel and important discussion on transformation of service systems and transformative value.

However, specific well-being dimensions such as social relations, sense of freedom, and flourishing well-being deserve attention from the future transformative service researchers. In this connection, theoretical basis from other discipline such as the life course paradigm from sociology can be used since it examines individuals’ life stages and transitions, and what implications these can have for consumption. The transformative service research can incorporate role, stress, and human capital perspectives of the life course paradigm to explore how consumers’ well-being can be improved through enhanced identity, reduced stress, and developed knowledge and skills. In addition to these, the present scope of transformative service research needs to be extended by incorporating the organization-facing, internal transformations which can lead ultimately lead to customer-facing and broader-level transformations. Internal organizational leadership, openness, processes, innovation, empowerment, and so on can help to build a transformative organizational culture which together with transformative service design initiatives can lead to internal well-being. However, the organizational perspective of transformation should also consider broader network interactions and interactions with other agencies. On the customer-facing transformation sphere, customers need to have and/or develop capacities, openness, and resources to realize and possibly create the benefits of meaningful changes for themselves as well as for their families, and broader communities.
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