



Transformative service research and COVID-19 (Editorial)

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Transformative service research and COVID-19

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Abstract

In view of unprecedented severe impact of the COVID-19 on micro-, meso-, and macro-levels of the service sector around the world, the Service Industries Journal initiated this special issue, approaching from transformative service research perspective (TSR) to address the issues associated with this pandemic and identify remedies and business recovery strategies for this sector. The special issue includes 6 articles. Three are focused on conceptualising social distancing and discussing its influence on customers and service providers. Moving beyond the social distancing focus, Paper 4 addressed the impact of mask wearing on customer response. Elevated to the organisational level, Paper 5 discusses how service quality may affect customers' health-focused behaviours. Consistent with the meso-level discussion, Paper 6 proposes business strategies for service organisations to be resilient and sustain in this pandemic. Discussion of implications and suggestions for future research concludes this editorial.

Keywords: social distancing; transformative service research; consumer behaviours; branding; business resilience, innovation, sustainability; tourism and Hospitality; COVID-19

Introduction

The rapid outbreak of the COVID-19 pandemic presents unprecedented crises on a global scale that the world is grappling with. In addition to its threats to human health and lives, this pandemic is having a dramatic economic and financial impact on micro-, meso-, and macro-levels. The service sector including tourism and hospitality organisations is one of most affected industries as the essential elements of these businesses (e.g., travel, personal interactions) are impeded due to the mandatory measures (e.g., lockdown, social distancing, travel bans) that are undertaken by the relevant authorities to prevent the spread of this virus. The unprecedented nature of this pandemic suggests that the COVID-19 may transform how service businesses have been operated in the pre-pandemic era. In line with the status quo, the Service Industries Journal initiated this special issue approaching from Transformative Service Research perspective (TSR) to address the impact of COVID-19 on the service sector from micro-, meso-, and macro-levels around the world and identify remedies and business recovery strategies for service organisations. TSR is aimed at addressing and improving the well-being of individuals (e.g., consumers and employees) (the micro-level), service organisations (the meso-level) and the industries (the macro-level) (Anderson and Ostrom, 2015), as shown in Figure 1.

Insert Figure 1 here

Given the contagious nature of COVID-19 through the respiratory system, social distancing is the most recommended and practiced measure by service organisations to prevent the spread of the virus. While employees are mandated to execute this measure, a recent survey conducted in the USA shows that up to 85% of customers at stores fail to practice physical distancing (Khoa et al., 2020). Consequently, this special issue has a focus on understanding what social distancing is and how this measure affects the wellbeing of customers as well as their attitudes and behaviours which affect the wellbeing of service

organisations, manifested in business growth and profitability. Approaching from organisational wellbeing, this special issue also proposes innovative strategies for businesses to be resilient and sustainable. The following section discusses the key topics and contributions from each paper in this special issue and their relevance to TSR. Subsequently, implications and suggestions for future research are provided to conclude this editorial.

The articles in this special issue

The special issue includes 6 articles. Among those, three are focused on conceptualising social distancing and discussing its influence on customers and the service organisation. Moving beyond the social distancing focus, Paper 4 addressed the impact of mask wearing on customer response. Elevating to the organisational level, Paper 5 discusses how service quality may affect customers' health-focused behaviours. Consistent with the meso-level discussion, Paper 6 proposes business strategies for service organisations to be resilient and sustain in this pandemic. Detailed discussion of these papers is as follows.

Finsterwalder's (2020) conceptual paper offers a four-domain notion of social distancing, including temporal, hypothetical, physical and social distance, to understand how each dimension can be utilised to address individuals' wellbeing – the micro-level of TSR. The author drew on the framework of resources challenges equilibrium (RCE), coined a term actor distance, and discussed the connection of actor distance and actor wellbeing (RCE) or safe zone during disasters, such as the COVID-19 pandemic. RCE is referred to as the wellbeing state and a dynamic equilibrium (Dodge et al., 2012). The author indicates that actor distance and safe zone may interplay or act in different directions during disasters. For example, practicing physical distancing during a pandemic requires more spatial distance and might increase perceived actor distance which may affect the actor's physical and psychological safety and wellbeing. Vice versa, physical closeness during lockdown may reduce perceived actor distance and construal.

This paper signals that social distancing encompasses more than just physical distancing and provides a novel connection between actor distance and wellbeing. The author suggests that service providers can undertake various measures to shorten the perceived distance during the pandemic. For example, online offerings can be provided to address temporal distance to minimise an actor's undesirable perception. Hypothetical distance may result in uncertainty and can be addressed by keeping actors informed of the progress of the event. Physical distance can be bridged by launching new services or introducing virtual meeting platforms (e.g., zoom). Social distance can be minimised by launching online tools and advice for families and friends to stay connected. Service providers can shorten psychological distance by setting up appropriate means to facilitate customers connecting better with others and have in-group feelings.

This paper also introduces a novel notion of actor safe zone to TSR, expanding the wellbeing construct of RCE. This safe zone can balance challenges with resources during major critical incidents to achieve a temporary resource replenishment. This notion leads to suggest adoption of Rosenbaum et al's (2006) third places that refer to venues outside home and work with restorative servicescapes. These third places can be converted into safe co-creation spheres for gatherings which are conducive to individuals' wellbeing while practising social distancing.

In view of ineffectively practiced social distancing by customers, Khoa, Wang and Priyanko Guchaita (2021) examined physical distancing compliance in the service context. This paper drew upon the regulatory focus theory, examined the effectiveness of respective prevention and promotion information to encourage physical distancing compliance, the possible underlying psychological mechanism to account for this superiority and the likely boundary condition of this superior effect. The two persuasive strategies are proposed: prevention focus emphasizing potential costs and negative

outcomes; and promotion focus emphasizing potential benefits and positive outcomes (Higgins, 2002). The authors posited that prevention-framed appeal would be more persuasive than promotion-framed appeal (and conventional appeal) in spurring physical distancing that is associated with high risk of contagious disease (i.e., coronavirus).

The authors conducted 3 studies to understand how the regulatory focus would work. In their first study, the authors developed and validated a scale to measure physical distancing in services. This scale was adopted to investigate the use of regulatory focus (prevention vs. promotion) for enhancing the persuasion of physical distancing appeals, given that the presently used messages to guide customers to comply with physical distancing in services (e.g., please maintain physical distancing) appear ineffective.

The second study used a hypothetical scenario simulating supermarket context to prove the superior effect of prevention-focused message to both promotion-focused message and conventional message in encouraging physical distancing compliance. This study indicates that perceived fear can be the underlying psychological mechanism. The results show that prevention-focused message was more persuasive than both promotion-focused and conventional messages in boosting the compliance with physical distancing. In their third study, the authors proposed and tested the boundary condition of anthropomorphism (i.e., Mr. Deadly COVID-19, scary face) in strengthening the superiority. The results confirmed this condition.

This paper provides insightful implications to service practitioners, especially retailers, who wish to convince their customers to actively engage in physical distancing. Rather than using the current simple appeals that only contain the pure guidance for practicing physical distancing, the results suggest that presenting more negatively framed

information be helpful to improve the appeals' persuasion. The authors also suggest use of physical distancing rather than social distancing as the former refers to limit physical contact and spatial proximity between people without excluding social closeness. The latter fails to convey this dual character, and affects how customers experience, evaluate the services and interact with frontline employees (Sigala, 2020).

Would this pandemic affect customers' attachment to their favourite brand? Would social distancing practice affect their brand attachment? Continuing with the social distancing stream, Ali et al. (2021) developed a scale to measure consumers' attitudes towards social distancing and tested the impact of consumers' brand anthropomorphism and brand love on brand defence. Their study finds that these relationships differ for consumers' attitudes towards social distancing. Those who favour social distancing would defend the brand stronger, and vice versa. This research is novel in two aspects. First, brand defence had been rarely studied. This research contributes to branding literature by extending brand attachment to embrace brand defence. Second, the authors indicate that anthropomorphism has been primarily used as a tool to foster pro- environmental actions in the context of service robotics and artificial intelligence. Their research extended that realm and investigated the anthropomorphic effect on brand loyalty during a global pandemic. Incorporating social distance attitude in brand attachment adds more insights into brand research. The authors suggests that service organisations should make endeavours to humanise their brands to business growth and sustainability.

From a different angle to transformative service research, Yang and colleagues (2021) drew on institutional theory to address the wellbeing of customers and the service organisation. The former is manifested in health-focused behaviours, the latter in customers' revisit intention which leads to business profitability. Specifically, their study

investigated how retailers' service quality affects customers' revisit intention and health-focused behaviours during the pandemic through the mediation of legitimacy, and whether customers' emotions about this deadly virus moderates these relationships. This study employed service quality dimensions that are relevant to the status quo such as hygiene practice and safety assurance. The study finds that these dimensions as well as reliability and empathy are significantly related to pragmatic and social legitimacy that entice customers' revisit intention and more health-focused behaviours. Customers' emotional response to uncertainty caused by the pandemic also influences their behavioural intentions.

Not only do customers' emotions affect their behavioural intentions to the service provider, based on emotion contagion theory and emotional labour effect, employees' emotions and relevant cues during the dyadic service encounter also influence customer attitudes and behaviours. When wearing mask is a mandatory requirement for frontline employees to serve customers during the COVID-19 pandemic, performing emotional labour manifested in appropriate surface or deep acting strategies (emotional expressions) when interacting with customers can be challenging for these employees. Smile is hidden in the mask, and speaking can be hindered. How would customers respond to these hidden expressions? Hofman et al. (2021) employed semi-structured interviews with German-speaking customers to understand customers' response to service employees' verbal and non-verbal cues when wearing masks. The authors found that customers were very receptive of mask wearing service. Interesting, the interviewees indicate that they have no problem detecting employees' facial expressions such as smiling under the mask. Nevertheless, their verbal communication skills seem to be more expected in this scenario.

Research on emotional labour has been primarily focused on the positive (job performance) and negative effects (burnout, dissonance) on the labourer or the frontline employee (e.g., Prentice; Chen and King, 2014). Hofman et al.'s study expands on emotional labour literature and examined the influence of hidden "acting" strategies on customer response. This investigation provides an additional dimension to emotional labour theory. Whilst this study taps into TSR from the perspectives of customers and service organisation, the concept of emotional labour is rooted in employee wellbeing and performance research. The implications for both the relevant literature and practitioners are far-reaching.

Elevating from the micro-level focus on individual wellbeing, Huang and Jahromi (2021) drew upon Dynamic Capability Theory and developed a new conceptual framework of resilience-building strategies for service organisations. The framework includes five major practical strategies and several sub-strategies, namely market orientation, supply chain optimization, strategic corporate reorganization, innovation, and business model transformation. Market orientation highlights the importance of market intelligence collection and dissemination in response to changing market demands during and after a crisis. Supply chain optimization focuses on the agility and resilience of procurement and distribution systems and the visibility in supply chains, which may help service firms to respond promptly and adaptively to supply chain disruptions caused by a crisis. Strategic corporate reorganization emphasises the importance of seeking partnerships to strengthen one's market position during and after a crisis. Innovation underlines the role of product/service, process, marketing, and organizational innovation in firms' growth after a crisis. The business model transformation is focused on how firms may gain a competitive advantage by addressing

an identified market demand with new technology during and after a crisis. These strategies are claimed to help sustain service firms during and post COVID-19 pandemic.

The authors also introduced the success factors of each resilience-building strategy as well as the resources needed for resilience building. The factors include organizational structure, leadership style, communication among employees, interaction with stakeholders, knowledge management, technology utilization, and adoption of flexible processes. Four major resources, including financial, human, social, and technological capital are required for the success of the resilience-building process. The authors indicate that financial resources lay the foundation for resilience building, while human and social resources facilitate access to financial resources and accelerate the resilience-building process. Furthermore, technological resources should be cultivated by technological capabilities and are among the main building blocks of resilience. This paper contributes to the organizational resilience literature and provides practical implications for service firms to become resilient during and post COVID-19 – tapping into the meso-level of TSR. The main topics, research methods and key contributions of these papers are summarised in Table 1.

Insert Table 1 here

Conclusion and future research

The severe impact of the COVID-19 pandemic on the service sector entails Transformative Service Research to addressing the wellbeing and sustainability of key stakeholders of this community, which include customers and employees on the micro-level, service organisations on the meso-level, the relevant industries (e.g., tourism, hospitality, hotels) on the macro-level. The stakeholders must collaborate to combat the pandemic, not only to achieve synergy for business growth but also enhancing human wellbeing and a functional ecosystem. The articles in this special issue mainly approached from the

perspectives of customers and service organisations. Whilst acknowledging the importance of these two perspectives in times of crises, future research must extend to embrace other stakeholders on micro-, meso- and macro-levels in transformative service research.

On the micro-level, research to date has been primarily focused on addressing customers' wellbeing. Admittedly catering for customers' needs and wants is beneficial to business growth and profitability. Nonetheless, service employees are by no means less important. The role of employees is well documented in the service profit chain model (e.g., Heskett et al., 1994; Prentice, Wong and Lam, 2017). Employees' wellbeing influences their productivity and performance, commitment (loyalty) to and engagement with the organisation and customers (Clarke and Hill, 2012; Prentice, 2016; Prentice and Nguyen, 2020). In times of crises such as the COVID-19 pandemic, the wellbeing of service employees is particularly important as these boundary spanners not only have to manage appropriate interactions with customers for successful business transactions but also are numerated to perform emotional labour with masks and other mandatory health regulations. Whilst Hofmann et al.' (2021) paper attempted to employ emotional labour theory to examine employee encounter performance under the mask, their research is focused on addressing customer response. Future research should be extended to understand how crises (e.g., pandemic) and the associated changes and regulations affect employees' wellbeing and mental health, how their mental state affects their service performance and other job-related attitudes and behaviours.

On the meso-level, the business strategies proposed by Huang and Jahromi (2021) are important to address organisational resilience and sustainability in a pandemic. Nevertheless, research must move beyond the focus on service organisations per se. Collaboration and cooperation between firms including competitors and other stakeholders in the supply chain would strength business resilience and survivability during a sustained crisis. Empirical

research should be conducted on exploring the drivers of such collaborative effort to combat the pandemic and achieve synergetic growth. Such initiative can be elevated to the macro-level by identifying a sustainable ecosystem among the key stakeholders in the service sector. This ecosystem is not only conducive to survival and growth of the stakeholders, but has strategic business, political and cultural implications for the service sector and beyond.

Although social distancing is the most practised preventive measure during the pandemic, including other mandatory and non-mandatory health regulations (e.g., personal hygiene) in the transformative service research domain could provide more insights into the wellbeing of employees and customers. Research endeavours should be extended to understand the effectiveness of different preventive measures and how these measures affect business operations and competitive advantage, employees' productivity, and service encounter behaviours. The conceptual papers in this special issue offer broader perspectives and bold claims on the topic of interest, empirical research should be carried out to validate these perspectives and claims for future reference and practice.

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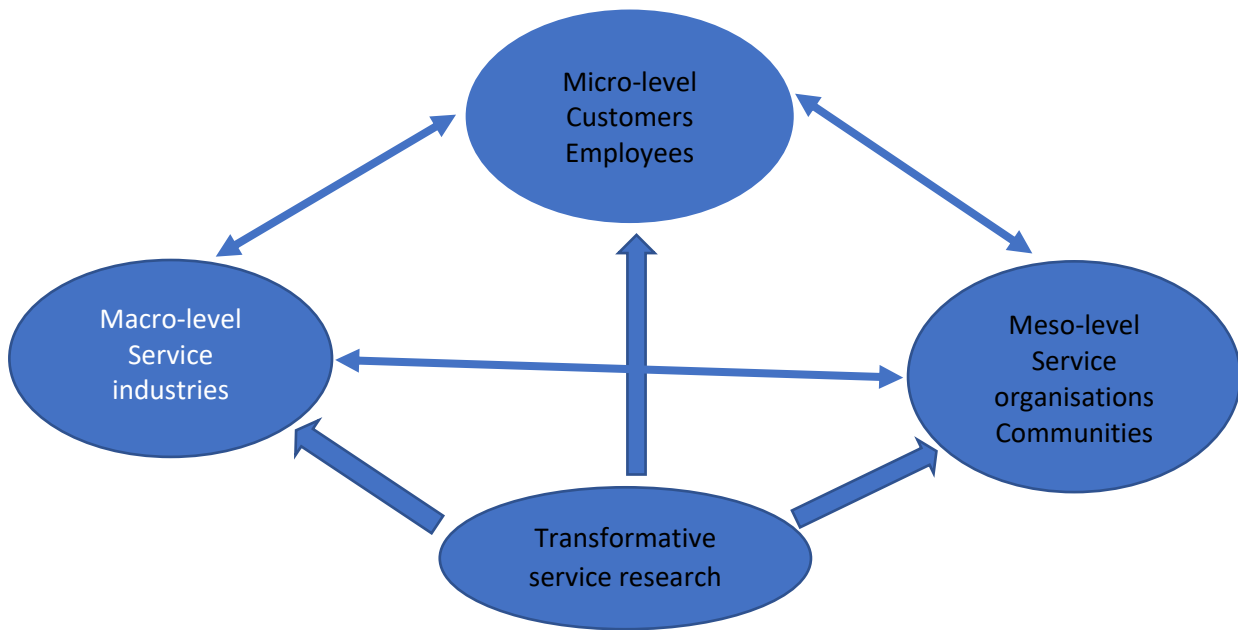


Figure 1: The framework of transformative service research

Table 1. Summary of the papers in this special issue

Authors	Main research topics	Methods	Theoretical contribution	TSR focus
Paper 1: Finsterwalder	Social distancing, actor wellbeing	Conceptual	1. Expanded social distancing concept; 2. coined the terms actor distance and actor safe zone;	Micro-, meso- and macro-levels
Paper 2: Kho, Wang, and Guchait	Social distancing, regulatory focus, compliance	Mixed methods.	1. Developed physical distancing scale; 2. extended message framing research	Micro level - customers
Paper 3: Ali, Dogan, Amin, Hussain, Rye	Social distancing, Brand anthropomorphism; brand love and defence	Mixed methods	1. Developed social distancing attitude scale; 2. expanded branding literature	Micro level - customers
Paper 4: Yang, Kim, Min, Hernandez-Calderon	Service quality, legitimacy, behavioural intentions, customer emotions	Survey	1. Incorporating retailer legitimacy in consumer research; 2. included health-focused behaviour in customer response;	Micro level - customers; Meso-level - service organisation
Paper 5: Hofmann, Stokburger-Sauer, Wanisch, and Hebborn	Emotional labour, face mask, customer response	Mixed methods	1. Expanded emotional labour theory; 2. enriched service encounter research	Micro-level: customers, meso- service organisation
Paper 6: Huang and Jahromi	Organisational resilience, business sustainability,	Conceptual	1. Developed a new framework of resilience-building strategies; 2. identified prerequisite resources for business resilience and sustainability	Meso-level: service organisations