

The Moderating Role of Existential Authenticity on the Relationship Between Sustainable Services Marketing Practices and Consumer Behavior

Bayram ARSLANOGLU¹

Received: 15.02.2022, Accepted: 03.03.2023
DOI Number: 10.5281/zenodo.8332932

Abstract

“Transformative Consumer Research” (TCR) initiative, has gained big interest among marketing academics and practitioners, since its emergence in 2006. Because 70 per cent of world’s GDP is comprised of services sector activities (Johann, 2015), the TCR initiative has been applied to services marketing and “Transformative Services Research” (TSR) concept has emerged. Studies about sustainable services marketing are handled within the scope of TSR. This study discusses factors affect consumers’ preferences of sustainable services and examines variables that have moderating effects between sustainable services activities and consumers’ behavior, through a literature review. Personal traits like being environmentally sensitive and having high level of existential authenticity and eudaemonic well-being are examined as moderating variables. Increasing usage of sustainable services notably in accommodation and food sector, has important potential for contributing to reach UN 2030 Sustainable Development Goals, that constitutes one of main purposes of this study.

Key words: sustainability, transformative services research, existential authenticity, eudaemonic well-being

JEL Code: M30, M31, M39

1. Introduction

Sustainable practices arouse interest across consumers and services marketing practitioners due to several reasons. From the consumer side, searching for healthy and fine food is one of the motivations when we look into food sector. From the marketing academics and practitioners’ side, beside numerous factors, the declaration of an academic initiative (Mick, 2006) called “Transformative Consumer Research”, in 2006 has performed as a driving force. Lastly and probably most important development that forced sustainability activities and studies was announced by Unites Nations in September 2015 as “Sustainable Development

¹ Res. Asst., Istanbul Technical University, Turkey, arslanoglu16@itu.edu.tr, <http://orcid.org/0000-0002-1411-1196>

Goals” (United Nations, 2015: [http:// https://sdgs.un.org/goals](http://https://sdgs.un.org/goals)). Following these developments, academic researches of marketing that have intensively concentrated on the sustainability phenomenon, handled the bene-fits of consumers from marketing activities, more loudly.

The Oslo Symposium on Sustainable Consumption that organized by United Nations in 1994, has provided a universal definition of sustainable consumption. Sustainable consumption is described as “the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generations”. (United Nations, 1994: <https://sustainabledevelopment.un.org/topics/sustainableconsumptionandproduction>). This definition has provided a basis for marketing academics to study sustainability more systematically. Also, in this study sustainable consumption is discussed based upon this definition.

According to World Health Organization’s data, 90% of all people in the World are breathing polluted air above the standards and it threatens people’s health (World Health Organization, 2022: https://www.who.int/health-topics/air-pollution#tab=tab_1). Another report published by UN in 2018 (United Nations, 2018: <https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html>) says that the urbanization rate of 55% will reach to 68% by the year 2050. These statistics are important indications that may affect human being’s well-being negatively. Sustainability is a key concept for resolving the main problems that threaten the world’s future. Another fact that pushing us to accelerate sustainability solutions is enormous food waste all over the World. According to UN Environment Program’s report (United Nations Environment Program, 2021: <https://www.unep.org/resources/annual-report-2021>) in 2019 it is estimated that 931 million of tons of food was wasted. Also, it is stated in the same report that 32% of this waste is originated from services sector activities like hotels and restaurants.

With revolving these facts, sustainability efforts of service companies become critical for the environment, for UN’s Sustainable Development Goals and transformative services research. For example, managing restaurants’ sources according to sustainability principles, will make important contributions to Sustainable Development Goal number 12/3: “reduce the food waste per capita by half” (UN General Assembly, Transforming our world: the 2030 Agenda for Sustainable Development 2015: <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/291/89/PDF/N1529189.pdf?OpenElement>). Desbiolles ve Wijesinghe (2019) have studied sustainable restaurants in Australia. In their study, they inferred that restaurants following sustainability principles, contribute to UN 2030 goals. According to study’s results, sustainable restaurants play an important role in educating people about sustainability and creating alternative life styles.

Understanding main factors affect consumers of sustainable services is important to increase the usage of sustainable services. Through a literature review, the importance and role of consumers' personality traits on services selection with emphasis on sustainability practices and the influence of sustainability practices of restaurant consumers' decision – making process is discussed. Sustainable services and transformative services research indicate that, servicescape design and consumers' characteristics like being concerned with environmental issues and giving importance to self – personality growth have important effects on selection of sustainable restaurants. Additionally, eudemonic well-being and existential authenticity level of the consumer may have moderating effects on revisit intention of the sustainable service and recommending sustainable service via WOM marketing. In order to achieve UN's 2030 Sustainable Development Goals, there are numerous things that can be done within the scope of social sciences. Since one of the SDG's (SDG number 12) is stated as "responsible consumption and production", services sector especially accommodation and food sectors are emerging as a valuable source to study and prevent food waste. As sustainability becomes more important for services companies, the way to keep existing customers and to convince new customers is occupying a wider place in sustainable services companies' marketing efforts. As stated in our study's context, sustainable services companies can enhance their customers' satisfaction and gain new customers through targeting potential customers more sensitively, according to their personal traits. As it is inferred in the literature, people with high level of environmental concern may likely choose sustainable restaurants (Kim and Hall, 2020). Additionally, people's level of existential authenticity and eudemonic well – being can be evaluated as significant factors that affect consumers' revisit intention and word of mouth behavior. These inferences will help to sustainable services firms to get more benefits from customers. Finally, this study contributes to transformative services research literature and by this contribution it takes a step for achieving UN 2030 SDG Goals.

2. Theoretical Foundation of Transformative Services Research

Discussions about the benefits of the marketing practices is a lasting matter of debate. Marketing in its bottommost meaning is defined as a total of firms' and consumers' benefits. But there are strong arguments that marketing activities and academic efforts are only beneficial for firms and in some cases, consumers are suffered from marketing activities. According to these arguments, marketing activities that only consider the firms' benefits are responsible from negations like increasing environmental pollution, increasing health problems like diabetes and obesity. The main idea behind this argument claims that (Davis, Ozanne and Hill, 2016) marketing activities increase the consumption without thinking about the future of the consumers and the whole planet.

The most salient objection has risen from inside of the marketing World in 2006. David Glen Mick, the president of the Association for Consumer Research

(ACR) has manifested The Transformative Consumer Research (TCR) Initiative with a self-criticism. The main purpose of TCR (Mick, 2006) was defined as prioritizing the welfare and well-being of consumers that derived from marketing activities. Additionally, TCR comprises working for solving the problems arising because of wrong consumption habits and problems originating from firms' aggressive and discriminatory marketing policies. Beside these steps, the latest Marketing Definition of American Marketing Association (AMA) also emphasizes societal benefits. In its last definition of marketing AMA states that "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (AMA, 2017: <https://www.ama.org/the-definition-of-marketing-what-is-marketing/>). It can be clearly seen that, consumers' and at general scope, the society's benefit is gaining more importance in marketing activities and studies.

According to statistics (Johann, 2015), 70% of world's gross domestic product comprises of activities originating from services sector. With reference to this fact, TCR is adapted to services marketing and is named as "Transformative Services Research" in marketing literature. One of the most important studies that contributed to the theoretical foundation of TSR is Anderson et. al.'s (2013) study. In their study the potential effect of consumption activities on consumers' well-being is summarized as a schema (Schema:1). According to this theoretical framework, services activities and parties that constitute services marketing, can affect consumers' well-being during the service exchange process.

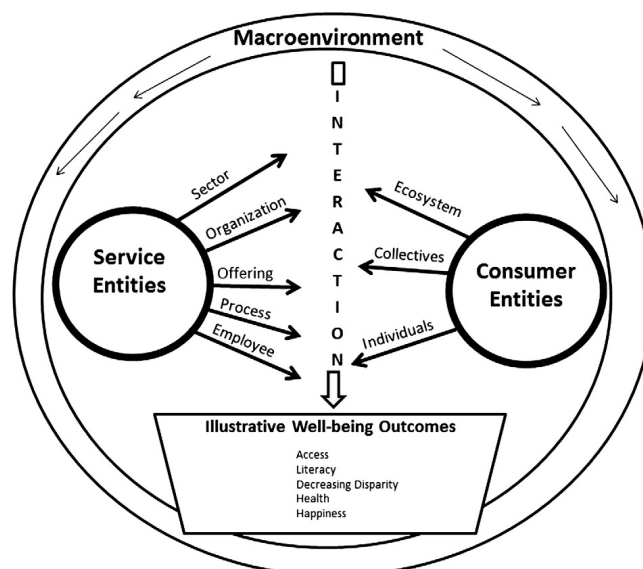


Figure 1: Parties constitute service activity and outcomes (Anderson et. al., 2013 p.1204)

3. Definition of Sustainable Services

Sustainability is handled in three dimensions in literature: environmental sustainability, economic sustainability and social sustainability (Delgado and Palomeque, 2014). According to Goodland (2002), environmental sustainability leans to a number of principles. Its main principles are; enhancing people's welfare with protecting natural sources and accepting natural sources as raw materials for production processes and as natural reason for decreasing sources' waste. In this study the sustainability concept is examined from the services marketing perspective and it is directly concerned with environmental sustainability. Sustainability has reached its steady position in services marketing activities, with the increasing environmental consciousness and increasing pressures coming from international agreements. Especially because of the huge waste potential of services like restaurants and hotels, it is necessary to think sustainability and services marketing activities inseparably.

When services marketing literature is viewed in terms of sustainability, it appears that an important part of studies is handling sustainability in hotel and restaurant concept (Böhringer and Jochem, 2007; Delgado and Palomeque, 2014; McNamara and Gibson, 2008). This tendency can be associated with the role of restaurants and hotels in consuming large scale of food in their business operations and the need for proper waste management as a result of this consumption. According to the Food Waste Index Report published by United Nations Environment Programme (UNEP) in 2019, it is estimated that 931 million tons of food wasted in 2019 (UNEP, 2017, <https://www.unep.org/resources/report/unep-food-waste-index-report-2021> p.70). And 32% of this wastage occurs during services sector activities like hotels and restaurants, according to the same report. These facts show the importance of restaurants in waste management and preventing food waste within environmental sustainability. Being a sustainable restaurant is possible with successful waste management that minimize the using of non-recyclable things in service processes and maximize the recovery of recyclable contents. Additionally, a sustainable restaurant (Bufquin et. al., 2017) must provide healthy, natural and sustainable foods to its customers. According to American Public Health Association (APHA, 2007) sustainable food is "served for satisfying the food need healthfully and prepared in manner that minimize the environmental damage and protect ecosystems". Within the scope of this definition, sustainable food has an important place in building a food production and consumption process that will help to decrease poverty with fair food distribution and using limited sources optimally.

4. Relationship Between Sustainable Services Activities and Consumer Behavior

Paying more for a similar service or product is possible when customers get additional benefits in their cognitive world. Sustainability has reached an importance in this manner. According to Dewald et al.'s (2013) study, more than half of the consumers state that they accept paying more for getting service from sustainable restaurants, in order to have chance to eat foods that prepared with fresh and healthy products and with respect to environmental issues. Sarmiento and Hanandeh (2018) have found in their study conducted in Gold Coast, a tourist destination that, 78% of consumers agree to pay 5% more for a sustainable restaurant. Additionally, 98% of consumers declared that sustainable restaurant practices will increase their probability to comment positively on restaurant.

As we know from the literature, sustainable services practices have direct effects on consumer behaviors. Masieri (2021) handled customer perceptions of restaurants that apply – a kind of sustainability practice – environmental management practices. His research has shown that sustainable restaurant practices have potential to attract and retain customers and increase sustainable tourism. He also has found that customers' level of environmental concern has a direct relationship with sustainable food tourism. Băltescu (2022) in its qualitative research of sustainable consumption in restaurant context has found that young consumers put emphasis on origin of food serviced in restaurants. They care about the sustainable originated ingredients. Also, participants of its research have shown high level of satisfaction about sustainability measures in restaurants.

There are also moderating variables between sustainable services activities and consumer behaviors that increase or decrease the effect of sustainability on consumer behavior. For example, Xia and Youl Ha (2021) have studied customer orientation as a moderator between sustainable restaurant activities and quality evaluations, image of the restaurant and customer satisfaction. Customer orientation showed a positive impact in this relation. According to Kim and Hall (2020), sustainable restaurant activities positively affect consumers' loyalty to the restaurant. Also, consumers' environmental concern has moderating effect between consumers' hedonic/utilitarian value and their loyalty.

Since one of the purposes of sustainability is to ensure total well-being of the people and next generations, well-being is deemed directly related with sustainability practices. Subjective well-being is simply defined as an individual's life satisfaction (Schimmack et al., 2002) (evaluations of one's life according to subjectively determined standards). Subjective well-being is handled in two groups in literature as eudaemonic well-being and hedonic well-being (Anderson et al. 2013). Since eudaemonic well-being is related with a person's realization of his/her potential; hedonic well-being is simply related with a person's happiness and satisfaction. Eudaemonic well-being has six main dimensions (Waterman et al., 2010): self-discovery, perceived development of one's best potential, a sense of

purpose and meaning in life, investment of significant effort in pursuit of excellence, intense involvement in activities, enjoyment of activities as personal expressiveness.

Environmental sensitivity and sustainable life style are behaviors that need intellectual background and awareness of meaning of life. Eudaemonic well-being can be evaluated within this context. As mentioned above, a person's level of eudaemonic well – being is directly related with his/her intellectual profundity (Anderson et al. 2013). From this aspect eudaemonic well – being can become an important variable in the relation between sustainable services practices ad consumers' behavior.

Existential authenticity is a multifaceted concept that has philosophical and psychological roots. It is defined as “existence that refers to one's own truth” (Berger, 1973) and used as a solution against losing of one's self in public roles and public spheres in modern Western society. As Wang (1999) states, existential authenticity is not about an object's or event's authenticity. Further to that, when people can live and experience their activities without restricting themselves and making concessions to their true self, it can be said that there is a level of existential authenticity among people. Since existential authenticity is directly about a consumer's psychology, it can easily be claimed that this type of authenticity is related with consumer behavior. With its strong connection with personal traits, existential authenticity can be evaluated as a moderating variable between sustainable services practices and consumer behaviors like willing to pay more, intention to visit sustainable services again etc.

5. Discussions

Sustainable practices in services marketing can awake different impacts among consumers because of different levels of consumers' environmental concerns and different personality traits. To evaluate the real effect of sustainable practices, moderating variables can be taken into analysis in scientific research. This paper claims that the relation between sustainability phenomenon and consumer behavior can be better understood with evaluation of moderating variables like environmental concern, existential authenticity and eudaemonic well-being. It is known from the literature (Kim and Hall, 2020) that there is a direct relationship between sustainable restaurant practices and consumers' hedonic value. Also, they have shown the moderating effect of environmental concern between this hedonic value and consumers loyalty to sustainable restaurant. This study adds new moderating variables to this relationship. Since consumers' level of eudaemonic well-being is connected with his/her hedonism, eudaemonic well-being can be easily placed as a moderating variable, between hedonic value of the consumer and consumer behavior like willing to pay more, word-of-mouth about sustainable restaurant and revisit intention to sustainable restaurant. The theoretical model of the study is summarized as in Figure 2:

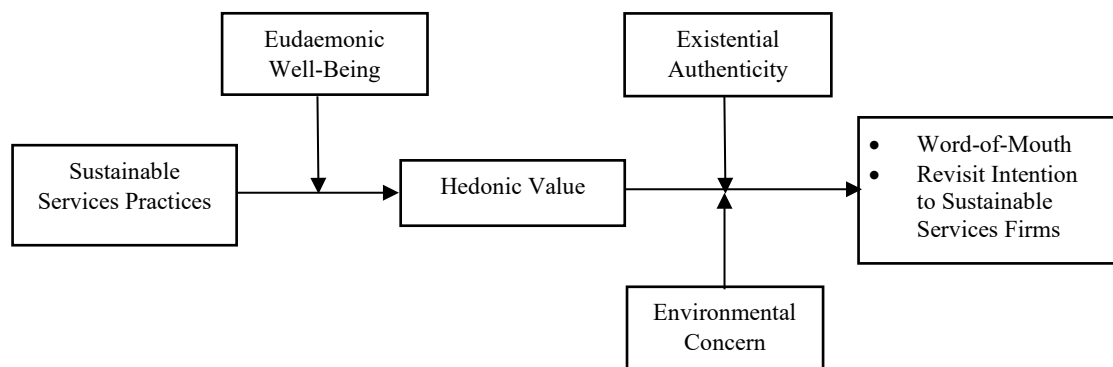


Figure 2: Theoretical Model of Study

Consumers' behaviors and evaluations about services they get can significantly affected from their personality traits, their worldview, their way of evaluation of things surrounding their environment. In this manner as mentioned before, existential authenticity level of people can be an important player in their decision-making process and in their evaluation of services. Consumers with high level of existential authenticity will likely be environmentally sensitive and will be more satisfied from sustainable services practices. As we know from the literature, there is a direct relationship between sustainable services and consumer behaviors. Existential authenticity can play moderating role between this relation.

6. Conclusion and Implications

To reach United Nation's 2030 Sustainable Development Goals, governments and non-governmental organizations prepare and conduct large scale projects. From the marketing perspective, a wide range of efforts can be performed to contribute 2030 SDGs, within the scope of Transformative Consumer Research. This study offers a theoretical model for service companies that implement sustainability principles in their businesses to help them in attracting new customers and satisfying their current customers better. The theoretical model proposes that in order to persuade customers to visit the sustainable business again and to spread their pleasure across potential customers via word of mouth marketing, the firm should better understand the personal traits that play important role in the relationship between sustainable practices and consumers' behaviors.

Based on the relevant literature, this study shows that personal traits like environmental concern of the customers, his/her level of existential authenticity and level of eudaemonic well-being have strong moderating effect in the relationship between sustainability efforts of the firms and customers' level of intention to visit sustainable service firm again and customers' word of mouth behavior. Since eudaemonic well-being of a customer is directly related with his/her level of

intellectual background and realized potential, it will strongly be expected that this variable will show moderating effect between sustainability efforts of the firm and hedonic value the customers get. It is expected that people with higher level of eudaemonic well-being will get more hedonic value from sustainability efforts of the service firm.

Similar with the eudaemonic well-being, other personal traits environmental concern and existential authenticity has strong ties with sustainability phenomena. Customers with higher level of environmental concern and existential authenticity will be expected to show higher level of revisit intention to sustainable service companies and show higher level of word of mouth behavior. From the firms' perspective, this study encourages services firms to apply sustainability principles in their businesses. With the relationships shown in this study services firms can easily see the positive effects of sustainability practices on their current and potential customers. This study presents a framework for firms that help to identify the nature of sustainability efforts and the positive effects on consumers' behaviors. With this framework, services firms can direct their marketing efforts to a better targeted customer group and increase the sustainable investments of the firm. With the increasing interest of consumers on sustainability efforts, it becomes more important for firms to understand and implement sustainable practices into their businesses.

This study contributes and develops TSR literature and takes a step to reach SDGs. As mentioned before, services companies especially hotels and restaurants have an important role in total food waste in the world. So, services companies that apply sustainable practices like decreasing food waste and making appropriate waste sorting, become important parties in reaching SDGs, especially SDG number 12/3 that aims to reduce the food waste per capita by half.

References

- American Marketing Association, (2017). Definition of Marketing, <https://www.ama.org/the-definition-of-marketing-what-is-marketing/>
- American Public Health Organization, (2007). Toward a Healthy Sustainable Food System, <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2014/07/29/12/34/toward-a-healthy-sustainable-food-system>
- Anderson, Laurel., Ostrom A. L., Corus, C., Fisk, R. P., Gallan, A. S., Giraldo, M., Mende, M., Mulder, M., Rayburn, S. W., Rosenbaum, M. S., Shirahada, K., Jerome D., (2013). Transformative service research: An agenda for the future, *Journal of Business Research*, Volume 66(8), Pages 1203 – 1210.
- Băltescu, C.A., (2022). Exploring younger generation sustainable consumption in the restaurant industry. In: R. Pamfilie, V. Dinu, C. Vasiliu, D. Pleșea, L. Tăchiciu eds. 2022. 8th BASIQ International Conference on New Trends in

- Sustainable Business and Consumption. Graz, Austria, 25-27 May 2022. Bucharest, Pages 560 – 566.
- Berger, P. L., (1973). Sincerity and authenticity in modern society. *Public Interest* Volume 31 pages 81 – 90.
- Bitner MJ., (1992). Servicescapes: The impact of physical surroundings on customers and employees. *Journal of Marketing*, Volume 56(2) Pages: 57 – 71.
- Böhringer, C., Jochem, P. E., (2007). Measuring the immeasurable—A survey of sustainability indices, *Ecological Economics*, Volume 63(1), Pages 1 – 8.
- Bufquin, D., DiPietro, R., Partlow, C., (2017). The influence of the DinEX service quality dimensions on casual-dining restaurant customers' satisfaction and behavioral intentions, *Journal of Foodservice Business Research*, Volume 20(5), Pages 542 – 556.
- Davis B., Ozanne J. L., Hill R. P., (2016). The Transformative consumer Research movement. *Journal of Public Policy & Marketing*, Volume 35(2), Pages 159 – 169.
- Delgado, A. T., Palomeque F. L., (2014). Measuring sustainable tourism at the municipal level, *Annals of Tourism Research*, Volume 49, Pages 122 – 137.
- Desbiolles, Freya Higgins., Wijesinghe Gayathri, (2019). The critical capacities of restaurants as facilitators for transformations to sustainability. *Journal of Sustainable Tourism*, Vol: 27(7), Pages 1080 – 1105.
- Dewald, B., Bruin, B. J., Jang Y. J., (2014). US consumer attitudes towards “green” restaurants. *Anatolia*, Volume 25(2), Pages 171 – 180.
- Goodland, R., (2002). Sustainability: human, social, economic and environmental. *Encyclopedia of Global Environmental Change*, Volume 5, Pages 174 – 96.
- Johann, Maria., (2015). *Service Marketing*. Warsaw School of Economics, Warsaw, ISBN: 978-83-65416-21-6.
- Kim, Myung Ja., Hall, C. Michael (2020). Can sustainable restaurant practices enhance customer loyalty? The roles of value theory and environmental concerns, *Journal of Hospitality and Tourism Management*, Volume 43, Pages 127 – 138.
- Masieri, Luca Francesco, (2021). Customers' Perception of sustainable restaurants case hyper – local restaurant bucco and dumlegården farm. Thesis (Master's Degree), Degree Programme in Tourism Bachelor of Hospitality Management Lapland University of Applied Sciences
- McNamara, K. E., Gibson, C. (2008). Environmental sustainability in practice? A macro – scale profile of tourist accommodation facilities in Australia's coastal zone. *Journal of Sustainable Tourism*, Volume 16(1), Pages 85 – 100.

- Mick, David G, (2006). Meaning and mattering through transformative consumer research, *Advances in Consumer Research*, Volume 33(1), Pages 1 – 4.
- Sarmiento, C. V., El Hanandeh, A., (2018). Customers' perceptions and expectations of environmentally sustainable restaurant and the development of green index: The case of the Gold Coast, Australia. *Sustainable Production and Consumption*, Volme 15, Pages 16 – 24.
- Schimmack, Ulrich., Radhakrishnan, P., Oishi, S., Dzokoto, V., Ahadi, S., (2002), Culture, personality, and subjective well – being: Integrating process models of life satisfaction. *Journal of Personality and Social Psychology*, Volume 82(4), pages 582 – 593.
- United Nations Environment Programme, (2017). Food Waste Index Report 2021, <https://www.unep.org/resources/report/unep-food-waste-index-report-2021> p.70
- United Nations Environment Programme, (2021). UNEP Annual Report 2021, <https://www.unep.org/resources/annual-report-2021>
- UN General Assembly, (2015). Transforming our world: the 2030 Agenda for Sustainable Development: <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/291/89/PDF/N1529189.pdf?OpenElement>
- United Nations, (1994). Sustainable Consumption and Production, <https://sustainabledevelopment.un.org/topics/sustainableconsumptionandproduction>
- United Nations, (2015). Sustainable Development, USA, <http://https://sdgs.un.org/goals>
- United Nations, (2018). Revision of World Urbanization Prospects, <https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html>
- Wang, Ning, (1999). Rethinking authenticity in tourism experience. *Annals of Tourism Research*, Volume 26(2) pages 349 – 370.
- Waterman, Alan S., Seth J. S., Byron L. Z., Russell D. R, Michelle K. Williams, Su Y. K., Brent D., (2010). The Questionnaire for eudaimonic well – being: psychometric properties, demographic comparisons, and evidence of validity. *The Journal of Positive Psychology*, Volume 5(1), pages 41 – 61.
- World Health Organization, (2022). Air Pollution, https://www.who.int/health-topics/air-pollution#tab=tab_1
- Xia, Y., Ha, H.Y., (2021). Does customer orientation matter? Direct and indirect effects in a service quality – sustainable restaurant satisfaction framework in China. *Sustainability* Volume 13 1051, Pages 1 – 16.