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Editorial: Service Research in the New (Post-COVID) Marketplace

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Abstract

Purpose

The aim of this paper is to encourage service researchers to consider the long-term or permanent impact of the coronavirus-2019 (COVID-19) on services, service delivery, organizational structures, service providers and service systems from global perspectives.

Design/methodology/approach

This editorial is based on the personal reflections of the Journal of Services Marketing editors.

Findings

The services marketing discipline emerged in a time when customers and employees were encouraged to engage in social interaction and to form relationships, as many service encounters were deemed as social encounters. COVID-19 has impacted the ability of customers and employees to freely engage in social interaction, and as a result, we need to consider the steadfastness of our foundational theories and conceptual models in the “new” marketplace.

Research limitations/implications

The editors put forth a series of sixteen research questions that warrant future empirical and descriptive research.

Practical implications

Managers can understand how COVID-19 will profoundly impact dramatic changes in the marketplace and prepare for them.

Originality/value

This study suggests that our theoretical and practical understandings of service industries has been significantly impacted by COVID-19

Introduction

As the coronavirus-2019 (COVID-19) continues to impac tlocal, state, national and global businesses, as well as human health and well-being, the Journal of Services Marketing editors want to begin exploring the post-COVID marketplace. Rather than focusing on the short-term economic impact of the coronavirus, we seek to contemplate and to call for further empirical and descriptive investigations on the long-term and, perhaps, permanent impact of COVID-19 on services, service delivery, organizational structures, service providers and service systems from global perspectives. In the following editorial, we discuss five COVID-19 impacts on the "new post-COVID marketplace." Each impact warrants further investigation, as the long-term effects of COVID-19 on the service marketing discipline's theoretical and managerial understandings of service industries will be profound. We present these five impacts as:1 the end of the enclosed mall;2 the online marketplace as a business necessity;3 The end of globalization, the rise of nationalism andboycotts;4 the redefinition of physical space; and5 the bifurcation of marketplace relationships. Clearly, thesefive impacts do not represent an exhaustive list of changes that service industries have faced and will continue to confront as a consequence of the coronavirus. In the following sections, we discuss each of the five impacts in more detail with the intention of presenting harbingers as to how the service discipline's foundational theories, frameworks, concepts and managerial practices will be transformed in some manner by the onslaught of COVID-19

End of the enclosed mall

Prior to the COVID-19 crisis, both academic and practitioner researchers suggested that many enclosed mall shoppers, in locales around the globe, report experiencing gang violence, active shooters, lone-wolf terrorism and organized terror during their shopping trips (Badiora and Odufuwa, 2019). Many retail investigations have shown that consumers' fear of outright physical violence in many urban shopping areas, most often in the USA, Latin America and Northern Europe, accompanied by the loss of perceived control to escape violence in an enclosed retail setting, were often cited as reasons that encouraged mall shoppers to increasingly turn to online shopping or patronizing open-air, lifestyle centers (Rosenbaum et al., 2018). These concerns, in conjunction with consumers increasingly relying on e-commerce to fulfill their consumption needs, led many retail pundits to predict that 25% of shopping malls in the USA would be shuttered by 2022 (Wahba, 2017;seewww.deadmalls.com).In a post-COVID-19 world, we speculate that shoppers' fears regarding their physical safety in enclosed shopping venues will be heightened by a concern of being in crowded, bounded spaces with others, which limits the ability to maintain a so-called "social distance" and makes them highly susceptible to breathing in virus particles dueto another shopper's coughing or sneezing or contracting them through touching of common areas (e.g. door handles or touch-based, interactive signage). Furthermore, indicators in the USA reveal that many consumers interpret attitudes towards social distancing differently, while some consumers refuse not only to practice any type of social distancing but also to wear any type of face coverings in public domains (Mahase, 2020).We suggest that COVID-19 may then be the death knell for many at-risk and financially struggling enclosed shopping centers, as many consumers have learned the importance of social distancing and understand the elevated risks concerning the spreading of COVID-19 in enclosed consumption settings, such as airplanes, cruise ships, religious institutions, sports venues and in shared residential spaces such as nursing homes or apartment buildings. Given consumers' concerns regarding their physical safety in enclosed shopping malls prior to COVID-19, we argue thatm any consumers may view enclosed shopping malls more so as"petri dishes" than as comfortable shopping and leisure destinations and, resultantly, opt to shop online or in open-air, lifestyle-shopping settings. It is worth noting here that enclosed malls may continue to thrive in popular tourist destinations that are well-known as being shopping destinations and that are in extremely warm climates (e.g. Dubai, Hong Kong, Macau, Singapore, Thailand, Las Vegas, Brochadoet al., 2018). However, as tourism is being negatively impacted by COVID-19, retailers and mall operators in shopping destinations that rely on tourists' dollars will also be affected. From a commercial real-estate perspective, COVID-19 maybe a boon to struggling strip centers in the USA, as consumers choose to limit their shopping preferences to outdoor stores. Additionally, consumers may flock back to small businesses in residential neighborhoods and will most likely be willing to pay premiums to spend time in open-air, urban shopping areas, including suburban and city locales, to refrain from spending time in enclosed shopping settings. Retailing researchers area lso encouraged to explore whether e-commerce retailers that had an uptick in sales during the COVID-lockdown can further increase their customer base and build brand awareness by employing temporary retail outlets, or pop-up outlets, to offer current customers tactile experiences (Taube and Warnaby,2017).Overall, this discussion suggests that further investigations are required to address the following research questions:

RQ1. How do shoppers evaluate the threat of COVID-19 indifferent consumption settings such as open-air versus enclosed shopping venues?

RQ2. How do consumers evaluate the quality of a built, service setting post-COVID? That is, using the Servicescape or SERVQUAL frameworks (Hooper et al., 2013;Zeithamlet al.,2018), how do post-COVID consumer perspectives differ from those found in pre-COVID studies?

Online marketplace as a business necessity.

Prior to the COVID-19 crisis, research indicated that 70% of all consumers began their consumption experiences by engaging in "webrooming," which denotes a consumer researching products online before buying them in a brick-and-mortar outlet. Consumers webroom when they peruse a retailer's website or a third-party review site (e.g. TripAdvisor;Aw, 2019) prior to entering a physical locale. In a post COVID-19 marketplace, we expect that even a larger number of consumers will engage in webrooming to research not only goods but also services, such as restaurants, hair salons, fitness studios, nail salons and so forth; the reason being is that until there is a cure for the coronavirus, every sojourn by consumers into built consumption settings is laden with some level of health risk. Although some consumers will disregard these health risks altogether, other consumers will webroom by researching precautions that an organization is taking to lessen virus transmission risk amongst employees and customers. For example, if pre-COVID consumers practiced webrooming to explore pricing options, post-COVID consumers may practice webrooming to understand measures that a service organization has implemented to ensure that customers and employees maintain social distancing guidelines. In addition to enhanced webrooming because of COVID-19,we speculate that consumers will seek out opportunities to book reservations and appointments with service providers to minimize health risks associated with waiting in enclosed spaces with others. Furthermore, consumers in a post-COVID marketplace will have a decreased "zone of tolerance,"(Zeithaml et al.,2018) for service providers who fail to adhere to these appointments, as doing so will be perceived by consumers as a lack of concern of not only their time, but also their health and well-being. Consequently, service providers that operate in enclosed settings that typically have waiting areas–such as beauty and nail salons, restaurants, medical offices, veterinarians and so forth.–

will have to realize the extent to which customers' expectations regarding waiting times has been profoundly affected by COVID-19. In a similar vein, retail, food and grocery organizations should continue to offer their customers online opportunities for delivery and buy-online-pick-up instore services, as many consumers will be cautious of being among others in built environments until COVID-19 is completely abated. As consumers increasingly use organizational websites for pre-purchase product research and for purchasing, the way they judge an organization's service quality will increasingly be based on their assessment of "virtual touchpoints," which refer to a customer's interactions with an organization's technology in contrast to "physical touchpoints." Thus, organizations which plan to survive and to thrive in the post-COVID marketplace need to build and to maintain engaging websites that promote the selling of goods and services via descriptive words, pictures, video and audio elements. The sales function will move from face-to-face to remote interactions that are facilitated by online technologies, such as web conferencing and live chat options. This discussion suggests that investigations are required to address the following research questions:

RQ3. How do customers judge organizational service quality post-COVID? How does this judgment differ from pre-COVID assessments?

RQ4. How does technology use impact a consumer' s expectations of service quality in a post-COVID marketplace? How do consumers formulate service quality decisions when they use (1) organizational delivery services; (2) third-party delivery services; (3)curbside pickup; or (4) buy online, pick-up in the store options?

RQ5. What is the role of a sales associate in a post-COVID service organization? How is the sales function impacted by social distancing?

End of globalization, the rise of nationalism and boycotts

In the past few years, there has been a growing commentary that the era of globalization, as we know it, is coming to an end. Economists (O'Sullivan, 2019) have predicted a reduction in "open societies" and a move towards a new world order that is characterized by increased nationalism, manifesting in the marketplace by consumers' purchasing preferences for locally manufactured goods. Indeed, many researchers noted the existence of a USA–China trade war pre-COVID, which was initiated by the USA as a response to China's large trade surplus and its impact on US job creation, concerns with China's illegal and unfair methods acquisition of US technology and concerns that China was attempting to weaken the US national security and international standing (Liu andWoo, 2018).As a response to COVID related product shortages, local manufacturers responded to shifts in Chinese supply chains fora variety of products, ranging from food to technology, and sought to source locally. For example, many distilleries retooled their machines and commenced manufacturing hand sanitizers for household consumption as a response to acute shortages because of the COVID-19 crisis (Thomson andBullied, 2020). Decades of manufacturing offshoring have left the USA unable to meet its own need for critical medical supplies or to ensure the security of others, including states and other countries during this crisis (Maidenberg, 2020). Finally, the supply of food products during the COVID-19 pandemic abruptly shifted to a local focus with primary producers and retailers experiencing a spike in demand as food imports slowed or were extinguished altogether (Cappelli and Cini, 2020).We speculate the that many consumers around the globe will respond to the COVID-19 aftermath by practicing some type of boycott of Chinese manufactured goods and services (Zhao,2020). The extent to which these boycotts gain global prominence and action depends largely on how China handles human rights issues (Makarem and Jae, 2016), especially those issues that have arisen due to the COVID-19 crisis . The extent to which global consumers actively call for, and participate in, a boycott of Chinese manufactured goods will be influenced by Chinese actions surrounding the COVID-19 crisis, such as the disappearance of medical personnel, perceived withholding of coronavirus information and anti-democracy actions in HongKong. As consumers boycott Chinese manufactured products, retailers will be pressured to source locally or to find locally manufactured substitutes. This discussion leads us to put forth the following research questions that warrant future investigations:

RQ6. How have consumer preferences for (a) local or (b)national products changed since COVID-19?

RQ7. Are consumer boycotts against imported Chinese products manifesting in global marketplaces?

RQ8. To what extent are (a) Chinese service providers or (b)Chinese consumers in service settings (e.g. tourist and educational locales) confronting discriminatory behaviors from customers since COVID-19?

Redefining place

At the beginning of the millennia, marketing researchers began to question the role of place in consumers' lives. On one hand, the marketing mix concept suggests that places are solely geographical points of distribution and used by consumers simply to facilitate the utilitarian exchange of goods and services. On the other hand, places often assume profound roles in consumers' lives, and quite often, marketing researchers have not been fully attentive to exploring how consumers vivify consumption settings (Sherry, 2000) and how places become profound centers of a consumer's existence(Warnaby and Medway, 2013). Indeed, the "third place" paradigm suggests that places other than a consumer's home and work become natural forums for hosting a consumer's social network and provide them with feelings of human togetherness and companionship (Alexander, 2019).One may question whether third places can survive with the possibility of transmission of COVID-19 via social interaction. The essence of third places is their ability to foster sociability between and among employees and customers. Face masks and plastic barriers are anathema to the characteristics that foster social interaction. Therefore, we believe that consumers which patronized third places (such as bookstores, cafes and diners) to engage in rich and meaningful interaction with others will experience feelings of "place outsideness"(Relph, 1976)and, perhaps, also experience extreme forms of depression and loneliness until they are once able to once again engage in sociability without COVID-19 concerns. This leads us to suggest the following research questions:RQ9. To what extent has a consumer's feelings of "place insideness,"or "place attachment" been impacted byCOVID-19? Has a consumer's "sense of place" been affected by COVID-19?

RQ10. Has "place insideness" been replaced by "place outsideness" because of COVID-19?

RQ11. How have consumers who depended on commercial establishments for social interaction been impacted by the loss of open access to these establishments? Has the loss of access to commercial friendships impacted the health of consumers?

Along these lines, the Servicescape Framework (Bitner, 1992;Nilsson and Ballantyne, 2014)defines three dimensions that comprise a built setting and which work together to encourage employee–customer social interaction and customer and employee approach behaviors. The three servicescape dimensions are ambient conditions; space, function and layout and signs, symbols and artifacts. Although these dimensions remain intact, we posit that they have been influenced byCOVID-19. That is, ambient factors have been influenced by cleanliness, layouts now designate customer patterns and signs demarcate consumers' queuing positions in a line. Furthermore, social interaction between, and among, customers and employees has been influenced by facial coverings, concerns about spending time in closed settings, curbside/pick-up and delivery options. One may then question the behavioral outcomes associated with a post-COVID servicescape:

RQ12. How has the Servicescape Framework been influenced by COVID-19?

RQ13. How have consumer and employee attitudinal and behavioral responses changed since the presence ofCOVID-19

Bifurcation of marketplace relationships

In a seminal article, Bowen (1978)conceptualized feelings of separateness and togetherness as competing human needs. People who are separate from each other may be attracted and interested in each other but not dependent on each other's acceptance and approval. In contrast, people who have feelings of togetherness towards each other can be overwhelmed by intense feeling and emotional reactivity; in other words, people are affected by other people's actions, behaviors, words and feelings (Knudson-Martin, 1996). Interestingly, relationships are often the factor that bind customers, employees and organizations together in service settings. It is, therefore, possible to understand why Sheth (2017)believed that organizations should strive to obtain a customer's "share of heart"(p. 1) instead of a "share of wallet," and to "joint venture" with customers, as doing so would promote organizational growth and survivability. However, Sheth's (2017)perspectives were written pre-COVID. The post-COVID marketplace is inherently one in which consumers are encouraged to separate themselves from others, as well as from things, during exchange activities. Consumers are encouraged to order products online and to take advantage of curbside pick-up or delivery services, and even then, to further disinfect products and shipping materials that are brought into their home. Separateness often means that consumers may be interested in a retailer's mobile application; however, there is no longer a need for a deepening of the relationship beyond the fulfillment of the consumer's order. We posit that because separateness will characterize so many exchanges in the post-COVID marketplace, when consumers are in situations where togetherness is mandated for the exchange to occur (e.g. medical and beauty services), they will clamor for emotional opportunities. Consumers will relish opportunities to engage with service providers, as opportunities to do so are not only minimized in the post-COVID marketplace, but also pose some health risk as saliva droplets are transmitted during conversation, although somewhat attenuated with a facial covering. Social interactions between and among customers and employees are no longer a marketplace nicety. It has become an infrequent occurrence that entails some level of health risk for all parties involved in the interaction, including spectators. We refer to these two customer–employee/organization extremes–separateness and togetherness–as the bifurcation of marketplace relationships:

RQ14. How are commercial friendships formed post-COVID? How have commercial friendships that existed pre-COVID been affected by the virus?

RQ15. How can retailers form an emotional connection to customers who use mobile applications, delivery services and/or curbside pick-up that minimize human connections?

RQ16. How do consumers and service providers balance health concerns despite wearing facial coverings

Conclusion

Interestingly, a wet market in Wuhan, China, called the Huanan Seafood Wholesale Market is believed to be the source ofCOVID-19 (Jiet al.,2019). Although this marketplace will inextricably be linked to the coronavirus, regardless of whether the speculation is valid, service industries have been profoundly impacted by the coronavirus. Furthermore, many of the service discipline's foundational theories that guide our understanding of marketplace exchange behaviors have been significantly altered by the introduction of COVID-19 into global service transactions. Service researchers are encouraged to not only investigate the research questions put forth in this paper but also to explore how the theoretical bedrock of services marketing has been permanently altered by COVID-19. The services marketing discipline emerged in a time when customers and employees were encouraged to engage in social interaction and to form relationships, as many service encounters were equated as social encounters. COVID-19 has impacted social relationships in unimaginable ways, begging the question, "What are service encounters without the ability to engage in sociability?". As service researchers, we need to understand the long-term theoretical and practical implications of COVID-19 in service industries

References