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The Role of Sustainability and Innovation in Financial Services Business Transformation

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Abstract

Purpose: This study discusses the effects of transformative service in the financial sector. Unlike conventional research, it reports how business transformation can play a vital role in human well-being. The main objective is to reveal how financial services can affect the welfare of people, communities, regions, and worldwide perspectives. **Design/Methodology/Approach:** The study used Confirmatory factor analysis and Structural Equation Modeling using SPSS (Amos). **Findings:** While appreciating the role of consumers as agents of service-driven business transformation, the study demonstrates how service transformation can promote an ecosystem that helps to accomplish rising sustainability goals. **Originality:** The main focus was to explain how social and environmental sustainability, responsible consumption and innovativeness are related to a firm's attractiveness, value creation and customer satisfaction. **Research Limitations:** This study uses a cross-sectional survey design and it doesn't have a holistic approach for all stakeholders. Predominantly, it considers the customer as a change agent in business transformation. **Practical Implications:** The study discusses a broader customer perspective instead of an extremely narrow and limiting traditional dyadic firm-customer perspective. It can enhance responsible production and consumption. It develops a comprehensive framework to help academicians, service leaders, and policymakers to recognize and solve service systems' unsustainability. **Social Implications:** The research contributes to addressing, understanding, upgrading, and integrating the financial service system for business transformation, which can positively influence individuals and collectives.

Keywords

Financial Business Transformation, Society, Sustainability, Well-Being

1. Introduction

In present times consumers' lives are dominated by services but traditional service research rarely takes consumer well-being outcomes into account (Mick, 2006). Businesses acted as producers, while customers were seen as consumers. It does not discuss how services affect consumer well-being. The unrestrained application of this narrow economic imperative caused significant complications for consumers, society, and the planet across several sectors and businesses (Van Riel et al., 2021). Both manufacturing and service industries exploited the resources to unsustainable levels (Henderson, 2020). The unsustainable amount of resource exploitation is such on a high stage, in both industrial and lately in service sectors that in the year 2015 United Nations (UN) initiated Sustainable Development Goal (SDG) where individuals and businesses from 200 countries signed the Paris agreement to have a unique responsibility and commitment toward creating and consuming responsibly. For example, in the tourism and hospitality industry, over-tourism causes exhaustion, deterioration, and destruction of cultural, natural, human, and other resources (Van Riel et al., 2021). According to Visual Capitalist (2020), in 2019, worldwide tourism added USD 8.9 trillion to the global Gross Domestic Product (GDP). It is 10.3% of its total. Due to the massive growth and the negative externalities in the tourism industry, some researchers suggest the industry must prioritize transformation based on sustainability (Cheer & Lew, 2017).

As financial services are concerned, Trust in financial services was severely shaken by the 2008 Global Financial Crisis (Breidbach et al., 2019). The services play a vital role in customer well-being as they use them daily as credit cards, insurance services, mortgages, retirement planning, etc. Several researchers have explored the positive and negative impact of these services on consumer well-being. For example, Garbinsky et al. (2021) study revealed that people believe they are financially responsible. Still, in actuality, they are viewing it through rose-coloured glasses which lead to undermining their financial well-being and offsetting their savings. Furthermore, the study found that around the world people do not save enough money because they have the positive illusion of being financially responsible. It is the responsibility of the financial institution to pop the financial responsibility illusion and spread financial literacy among people.

Several kinds of research explored the impact of financial services on customers' well-being. Despite its dispersion, its uniting tendency exposes financial services' potential and negative effects. Such negative consequences can be caused by services process, design, or lack of accessibility. For instance, predatory lending frequently targets elderly, poor, or minority borrowers on purpose (Hill & Kozup, 2007). Regarding the procedure, some businesses willfully use deceptive marketing that unfairly highlights the advantages over the risks of financial products (Braunstein & Welch, 2002), causing customers to make bad choices that negatively affect their well-being. The low-income consumers do not have access to financial services like credit and checking accounts (Andreasen, 1993).

Market restrictions and limited access restrictions still exist in the market. The financial businesses demonstrated a particular systemically constrained choice process for ethnic minority consumers seeking access to financial resources for their businesses. When taken as a whole, the research shows that financial services companies frequently put their interests ahead of those of their (vulnerable or disadvantaged) clients, which can have detrimental effects (Bone et al., 2010).

In recent times digital technology has evolved in many ways. It can help financial institutes to gain business transformation because it is upgraded and helps in exclusive offers and awareness. Until recently, access to the internet was limited but nowadays a spike in internet usage and other technology such as IoT devices, mobile phones, and other appliances can be beneficial in financial business transformation. It can help in getting better insight into service usage and financial institutes can decentralize their functions to serve the customer in a better way. The financial institutes need to overcome a few obstacles like it is believed that financial institutes are too conservative to support start-ups in the field of improved customer service. Several firms have criticized their funding since funds only offer little support to start-ups seeking to go global.

Some financial institutes have started to reconsider how they handle customer support, the majority still view customers as a problem rather than providing them with the right information and assistance. In this way, they lose potential customers and such a strategy harms the company's reputation. Due to the improved services, customer assistance will also improve (Heinonen et al., 2010). In the digital age, the idea of placing the customer at the centre of all decisions was revived in the study. A glimpse of business transformation concerning European financial structure is discussed in the study. It helps understand how customer services can be improved in the future. Various business transformation variables like responsible consumption, social sustainability, environmental sustainability, and perceived innovativeness are discussed in the study. New technical options and creative concepts related to business transformation are described in the study.

The UK, Germany, and France undoubtedly control the majority of the European e-commerce market. Together, these three nations account for about two-thirds of the European Union's Business to Customer (B2C) e-commerce market (Laurent et al., 2020). The United Kingdom and Spain show the most innovation in terms of enhanced customer support. Places like Western Europe and North America have the majority of online users who are also digital buyers in the world. It indicates scope for improvement particularly in the regions where a large portion of internet users do not yet make online purchases (Laurent et al., 2020). Other countries can follow in their footsteps and learn from them to enhance customer communication through innovations. The European Commission can play a vital role and provide one-stop shops that offer legal assistance and counsel to businesses and customers on how to deal with international legislation or intellectual property challenges and can offer tax breaks or subsidies to start-ups. Additionally, the complexity of providing improved customer services internationally is also a hurdle. Financial institutes can also bring business transformation by harmonizing the administrative processes (Ruiz-Alba et al., 2020).

These challenges and concepts give birth to Transformative Service Research (TSR). It is a need to explore the difficulties and opportunities that lie with TSR. The goal of TSR is to enhance service for the customer and society's welfare and address actual problems (Mick, 2006). It can help improve the quality of life of each individual. It is based on the idea of a transformative service economy, which strengthens interactions across social, economic, and environmental systems by encouraging mutual respect, teamwork, and sustainability (Rosenbaum et al., 2011). TSR is referred to as a "research paradigm that focuses on enhancing the well-being of people including consumers, employees, families, social networks, communities, cities, nations, collectives, and ecosystems" (Anderson et al., 2011).

The study put forth the importance of the consumer as one of the key players in creating a service ecosystem that meets the sustainability objectives and demonstrates the fact through confirmatory factor analysis and SEM (Structural Equation Modelling). This study specifically looked at how customer satisfaction is influenced by responsible consumption, views of environmentally and socially sustainable efforts, and innovativeness. The study states that if the financial institutes take care of investment propositions for individuals or families, practice value delivery, fair customer treatment, provide interaction space and help the customers with new technology then it will improve the firm's attractiveness, enhance the firm's value and will get satisfied customers. Similarly, it presents that the firms have not paid enough attention to the rituals used by consumers to liven up consumption patterns. It discusses a new way of interacting with the customer that can be practised. For example, predictive analysis, digital profiling or artificial intelligence can be useful in enhancing communication. We anticipate that formalizing this topic will serve as a spur for more service research that focuses on these crucial but little-researched aspects of consumer financial well-being. The study's concept connects consumers' growing need for ethical purchase and their perceptions of a company's sustainability with perceived innovation.

The purpose of the research is to identify how service transformation change agent strategies help improve businesses' and consumers' willingness to engage in sustainable service behaviours. It is an effort to identify the well-being strategies financial businesses and governments could follow to increase service sustainability. It also discusses the financial services disparities experienced by unprivileged and poor consumers. With these objectives, the study explores the following questions.

- Does service transformation impact financial firm business?
- How are financial service offerings related to customer well-being?
- How does the nature of co-creation affect the well-being of customers and businesses?

2. Background and Theory

The challenge of enhancing human welfare is getting tougher every day. Financial crises, financial literacy, environmental toxins, carbon emission, poverty, limited access to clean water and the internet, pandemic, insufficient healthcare, terrorism, global warming, and natural disasters are just a few of the many factors that are causing firms to become more concerned about the wellbeing of people around the world. Due to the issues like undeserving communities in need, condescending style of service delivery, their degrading policies of segmentation and targeting service organizations have come under fire for ignoring or even harming consumer well-being. For example, economic differences in healthcare promote the exclusion of low-income consumers (Newman & Vidler, 2006); Food deserts are essentially in metropolitan regions where consumers lack access to affordable fruits, vegetables, whole grains, low-fat milk, and other goods that make up the entire range of a healthy diet (Mitchell, 2011). Grocery chains are frequently hesitant to open shops in lower-income neighbourhoods (Williams & Henderson, 2012). African American customers may experience service deterioration or refusal when "shopping while black" in retail settings in the United States (Webb et al., 2008; O'Brien, 2008). Similarly, ethnic small company owners could also experience discrimination and have less access to necessary financing from financial institutions (Bone et al., 2010). Despite these facts, the services can and have contributed positively to consumer well-being in the context of these issues (Williams & Henderson, 2012). Numerous studies have investigated how loosely connected social relationships that naturally develop in places like diners, fast food restaurants, beauty salons, and bars frequently transform human well-being by giving people support when they need it (Cowen, 1982; Rosenbaum, 2006).

With this social sustainability and environmental issues, the research also emphasises the importance of innovation. Although innovation can revolutionize an industry, studies investigating service innovation from a sustainability viewpoint are scarce. It discusses the importance of natural resources in the environmental dimension. As noted, we believe that to be sustainable, service innovation must be centred on the larger service ecosystem and the coordination of the interests and resources of all stakeholders.

In the domain of TSR, various research related to issues like social justice, consumer agency, and ecological stability has been done (Kavadias et al., 2016; Ostrom et al., 2010) but present research exclusively discusses issues like sustainability, green marketing, and the triple bottom line in the domain of financial businesses. It connects people, the planet, and profits triple bottom line. The study illustrates a broader customer perspective in place of a too narrow and limiting traditional dyadic firm-customer perspective where a customer was not accounted for responsible consumption and also ignored the issues like resource depletion and destruction.

In previous research, it is stated that businesses rely on the fast, efficient, and unchecked growth of mass production. The consumption of standardized consumer products and services is, for the most part, unsustainable (Henderson, 2020). For years now, especially service firms have been focusing on increasing economic performance (Oliver, 1999). But nowadays, customer centricity has grown to be a main emphasis and goal of service innovation (Bettencourt et al., 2013). In research, Elkington (2018) mentioned environmental, economic, and social performance as the three pillars of the triple bottom line necessary for the sustainability of markets. Additionally, Anantharaman (2018) mentioned that the importance of economic success can't be denied but sustainability is fundamentally a call to action for people, organizations, and policymakers to minimize overconsumption. Further, the study put forth that the traditional goals of sustainable development were to reduce waste and increase resource efficiency through technical innovations and don't have space for customer well-being. The present research emphasises the economic, social, and environmental outcomes of business practices. It urges the creation of fresh metrics for assessing the impact of service on people's and society's welfare. Due to these reasons, the study exhorts service academics and practitioners to participate in TSR.

Hypotheses and Model Development

Consumers' lives are heavily influenced by financial services. The reality is that customers frequently co-produce services and are constantly in a position to create value or co-create value with businesses (Vargo & Lusch, 2008). In financial services, the intangible benefits for consumers can be financial security and literacy. Its mental, social, or physical well-being may be considered part of value creation. Financial customers can contribute to maximizing the value potential of the resources offered by financial institutions by, for instance, engaging in full transparency with a financial advisor, being aware of the many forms of investments according to lifestyle, and being regular with payments. Sadly, only a few researchers have studied consumer financial well-being, quality of life difficulties due to weak finances, and its outcomes up to this point. The research discusses that the issues related to responsible production and consumption in financial services need a broader service ecosystem. For example, to develop a comprehensive sustainability approach, the service system needs to broaden its perspective by including actors and resources who are not directly connected to the customer. It should include the representatives, who are impacted by irresponsible consumption and production (Chandy et al., 2021). Customers also need awareness about the use of the latest technology because it perpetuates financial system complexity and customers feel helpless. Simultaneously, they make the services complex for the customer, and it is the financial institution's responsibility to make things easy for the customer.

H_{11}*: *Responsible consumption has a positive impact on a firm's relative attractiveness

To a considerable extent, the financial service system has a significant role in consumers' daily lives (Bone et al., 2010). People use them daily. The study contends that most services that consumers use regularly have the power to significantly alter their lives through their consumption choices. Numerous services, including social services, healthcare, employee wellness initiatives (Berry et al., 2010), and disaster relief efforts (Baker, 2009) are created with consumer well-being in mind. The financial service industry requires comprehensive and innovative solutions that fundamentally address its responsibility toward customers and sustainability towards business. Internationally active financial institutes have the additional challenge of serving customers in different languages. Financial institutes can assemble and manage inter-organizational networks where the legitimacy of roles is well established and accepted by other network members (Paquin & Howard-Grenville, 2013). It can enhance relationships among actors and resources within service systems, and optimize an ecosystem as a whole instead of focusing on improving individual processes and subsystems.

H_{12}*: *Social sustainability has a positive impact on a firm's relative attractiveness

A few organizations like McKinsey in collaboration with other organizations like The Nature Conservancy, World wildlife fund, etc. working to accelerate land and water conservation worldwide. The financial institutes can be their partner or support the issues individually. The financial institutes can bring different stakeholders like government, communities, people, funders, etc. together for environmental conservation and optimize the socioeconomic impact. The cause has great significance because we have lost 68% of the wildlife population in the last 50 years (Claes et al., 2020). For example, collapsing fish stocks affect people in coastal regions, deforestation affects rainfall that threatens crops and the food system. The institutes can develop sustainable financing mechanisms to reduce carbon emissions. These efforts will help in building a sustainable and highly inclusive economy. Moreover, almost half of the world's GDP is dependent on nature and the ecosystem (Claes et al., 2020).

H_{13}*: *Environment sustainability has a positive impact on a firm's relative attractiveness

Innovation in technology allows fintechs to unbundle their service offering and can overcome barriers like legacy systems and regulatory constraints (Kumar, 2016). With adaptive and intelligent systems, hybrid computing, and enabled smart devices fintech platforms can create value for the customer. Innovation has a crucial role in business cycles and is a potent change agent. In the service sector, firms have been using it to create new service offerings, improve service quality, and increase customer satisfaction and loyalty (Rust et al., 2002). But all these goals are predominantly driven by the firm-centric goal of maximizing profits which can have a place for customer well-being. Despite the fact that innovation can revolutionize an industry, studies investigating service innovation from a sustainability viewpoint are scarce. According to earlier studies, sustainability has three components: environmental, sociocultural, and economic (Spangenberg, 2002). Financial services may drastically improve customer support and experience with the use of modern technology and constant innovation. Nowadays customers' financial literacy, preferences, needs, and overall financial well-being can be understood through big financial data. Customers' spending patterns and service experiences can be known through the integration of data. Through blockchain technology institutes can get transparent and scam-free data. With advanced technology, the institutes can check under-the-table corruption and control black money transactions.

***H*$_{14}$*: Perceived innovativeness has a positive impact on a firm's relative attractiveness*

Traditionally, customer support for financial services was only available through the submission of complaint forms or phone calls. However, in today's market, customer support is driven by the shift from traditional office hours to 24/7 internet businesses and improved proactive customer support and personalized delivery of financial services. Nowadays customers are increasingly demanding immediate and targeted support regardless of the location of the customer or of the time of day. Customers are making purchases from their smartphones and tablets, creating entirely new potential for quicker and more individualized communication. In order to serve customers whenever and wherever they are, customer care has developed live chat, mobile apps, and social media. It can be a clear competitive advantage for financial institutes, especially if they optimize the use of e-commerce in their day-to-day functions. Improved customer service can raise the perceived quality of financial services (Heinonen & Strandvik, 2021). The services can be made faster, more affordable, and more focused by adopting automated customer care, which is frequently based on artificial intelligence. Another paradigm shift that call centres have been waiting for may come from cloud technologies: 78% of businesses concur that it lowers the cost of doing business. In addition, 65% of businesses already utilizing hosted or cloud-based IT solutions concur that access to new and improved functionalities has been made possible, and 64.8% say that flexibility has increased. Thirdly, the requirement to combine data silos and eliminate duplication of effort pushes businesses to adopt customer experience solutions from creative corporations since they enable them to determine what adds the most value to their operations (Deloitte, 2018).

***H*$_{15}$*: Relative attractiveness has a positive impact on a firm's perceived value*

Even while service researchers often focus on outcomes like a customer's desire to make another purchase from or refer to a business, well-being-related outcomes like increased quality of life are also worthwhile of investigation (Dagger & Sweeney, 2006). Businesses that discover methods to improve consumers' and employees' well-being and minimize unintended negative well-being outcomes may benefit from satisfied customers and more productive employees. It can offer a competitive advantage in the market and improve customer satisfaction (Homburg et al., 2020). In fact, growing service research indicates that customers could be prepared to pay more for services from companies that support and care about their well-being (Rosenbaum, 2008). Additionally, in some cases, firms may be forced to take action as a result of new public policy legislation that has been implemented to improve customer well-being. The proliferation of technology provides significant opportunities like automatic trading (Ferrara et al., 2016), data-driven insurance (OECD, 2018), resource configuration and creating value for customers. An important determinant of customer satisfaction is perceived service quality, which is influenced by good customer service. **Figure 1** shows a conceptual model used for empirical testing of the service quality leading to customer satisfaction.

H*$_{16}$*: Perceived value has a positive impact on a firm's customer satisfaction

The study illustrates some specific elements of a broad service ecosystem and tests how it affects consumers' adoption of more responsible consumption. For example, how firms' ecological, innovativeness, and social initiatives impact customers' perceptions, their relative attractiveness in the marketplace, their perceived value, and ultimately customer satisfaction.

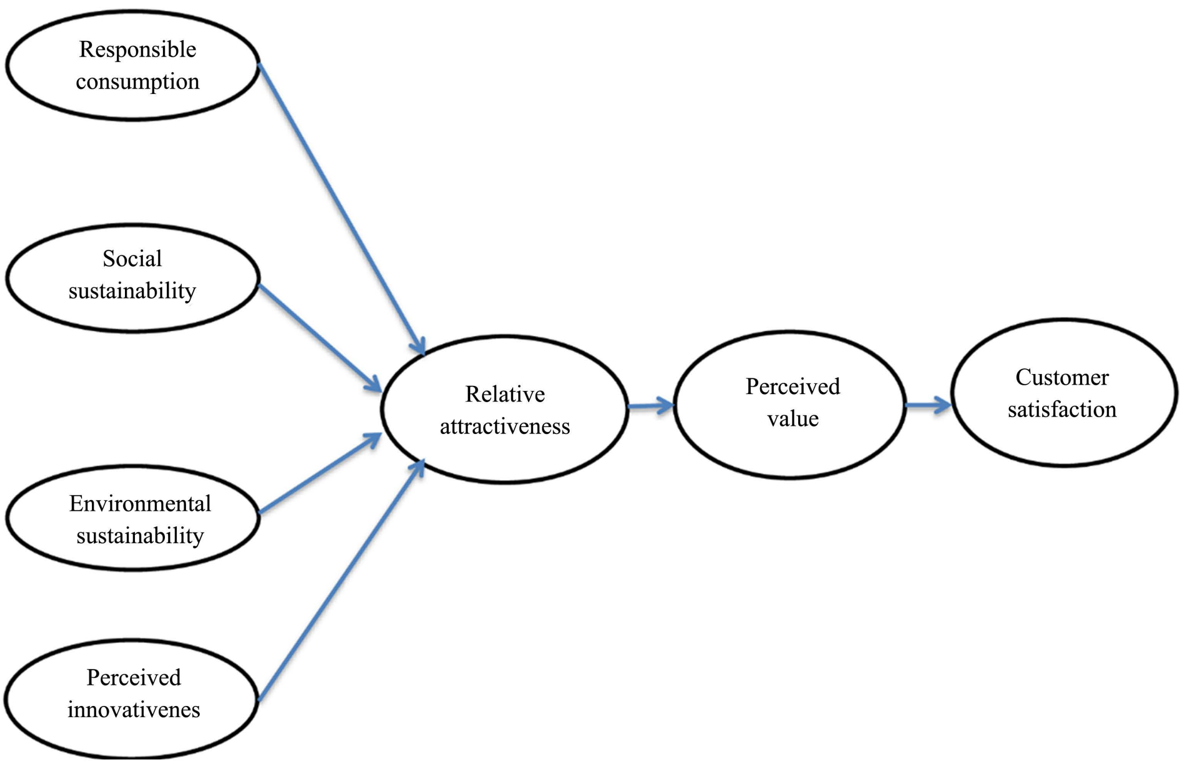

Figure 1. The conceptual model for empirical testing.

3. Methods and Empirical Testing

The goal of the study is to investigate the impact of responsible consumption, social sustainability, environmental sustainability and perceived innovativeness on a firm's relative attractiveness. Further, it identifies their impact on a firm's performance by measuring the relationship between relative attractiveness, perceived value and customer satisfaction. The current trends presented by the UN Sustainable Development Goals reveal that most populations will evolve in the future years to resemble responsible consumption and firms will transform their businesses accordingly in upcoming years.

The study used a self-administered online survey method to collect the data. All the items used to measure the constructs were borrowed from previous research and modified to take into account the context of the current research. The instrument with the source of each construct is attached in **Appendix**. To estimate the sample size the study carried out a power analysis with G * Power 3.1.9.4 programme and followed the setting as suggested in the study by Memon et al. (2020). The power analysis revealed that a minimum of 85 respondents were required to apply SEM as the model has a maximum of 4 predictors. According to recent studies (Hair et al., 2019; Kline, 2016; Ringle et al., 2018; Uttley, 2019), the sample size should be determined by power analysis. However, there are a number of guidelines and widely accepted rules to determine a sample size but all these are mere suggestions. Most of the time a sample between 160 and 300 is well suited for multivariate statistical analysis techniques (e.g., CB-SEM, PLS-SEM) (Memon et al., 2020). Moreover, the strength of any sample comes from selecting it accurately, rather than the size (Mooi et al., 2018: p. 47). We emphasize the accuracy of selecting a respondent by considering their ability and willingness to participate in the survey. They voluntarily participated in it and belonged to almost all major financial institutes servicing in Europe. By following these norms and guidelines we collected data from 200 respondents. The researcher used his own contacts to get the required amount of data. Additionally, it is helped by Norstat; which is a reputable market research company that manages a web panel of more than 80,000 respondents from a variety of backgrounds who are all representative of the Norwegian and European populations. We used SPSS (Amos) and SPSS (Statistic) software version 26 to calculate the results.

4. Results

As demographic details of respondents are concerned they were well diverse. For example, the minimum age of the respondents was 18 and the maximum was 49 years. The average age of the sample was 36 years. Among them 104 respondents were male and 96 were female. 40% of respondents were married, 28% were living with a partner, and 32% were single. In the household annual income, 7.5% of respondents had an income below the equivalent of $32,000, almost 50% of respondents had an income between $32,000 - $108,999, almost 27% had it between \$109,000 - \$1,650,000 and only 17% didn't know or didn't reveal it. In terms of highest education level, 35% of the respondents had Bachelor's degree, 23% had attended high school, 22.5% had a Master's degree, 8% had attended Middle school, 7% were students currently pursuing their studies and only 4.5% of respondents had exposure to only Grade school.

Pre-testing in surveys determines the reliability and validity of the instrument. For scale reliability, we constantly checked the Cronbach Alpha value starting with 20 respondents. It was above 0.7 for each construct used in the scale and increased as respondents increased in numbers. For validity, we ensured that respondents interpret and answer questions in the way in which our research intended. Table 1 presents the instrument's final reliability measurement, means, standard deviations, and factor loadings. All Cronbach alpha values are between 0.895 and 0.975 which indicates the constructs are reliable. All constructed items are measured correctly. Only one factor loading PI4 was not significant as its value was 0.34 which was below 0.5 and it is deleted in the SEM path diagram. Rest all factors have significant loadings between 0.77 and 0.99. The mean value of all the items is above 5 on a seven-point Likert scale where 1 strongly disagrees and 7 strongly agrees.

Table 2 presents the Model fit indices. Among the various model fit indices, Chi-square (CMIN/DF) value is 2.904 which is significant as its p-value is 0.000. If the values of GFI, IFI, TLI, and CFI are above 0.9, the model is fit and more they are close to 0.95 the best it is (Kline, 2011). In the present study the values of GFI, IFI, TLI, and CFI are 0.880, 0.933, 0.921, and 0.933 respectively. They all indicate good fitness for the proposed model. Moreover, if the value of RMSEA is less than 0.05, it indicates a good model fit and its value is 0.048 for the proposed model which also indicates a good fit for the proposed model. Figure 2 shows the conceptual model studied herein.

All the relations between the measured constructs in the model are positive. It means the concepts are positively related to each other. The Regression weight between Responsible consumption and Relative attractiveness is 0.23, Social sustainability and relative advantage is 0.24, Environment sustainability and relative advantage is 0.05 and Perceived innovativeness and relative advantage is 0.30. According to the p-value, the relation between Relative advantage and Social sustainability and Environmental sustainability is not significant as the relation p-value is above 0.05 and all other relation between constructs has statistical significance. Relative attractiveness has a good impact on perceived value and perceived value has also a good impact on satisfaction. The regression weight values for the impacts are 0.60 and 0.59 respectively, which indicates a statistically significant relationship between the constructs. In the analysis, the impact of Responsible consumption, Social sustainability, Environment sustainability, and perceived innovativeness on Relative attractiveness is clearly visible as the Relative attractiveness R^2 value is 0.52, which means that 52% of the variance of the construct has been explained by these constructs together. The relationship

Table 1. Descriptive statistics.

Factor	*Construct reliability*	*Mean*	*SD*	*Loadings*
Responsible consumption	Cronbach Alpha = 0.959			
RC1		5.41	1.057	0.98
RC2		5.34	1.136	0.94
RC3		5.39	1.056	0.93
Social sustainability	Cronbach Alpha = 0.905			
SS1		5.23	1.189	0.94
SS2		5.23	1.227	0.85
SS3		5.27	1.177	0.87
Environment sustainability	Cronbach Alpha = 0.895			
ES1		5.37	1.149	0.87
ES2		5.32	1.181	0.82
ES3		5.3	1.206	0.89
Perceived innovativeness	Cronbach Alpha = 0.930			
PI1		5.11	1.296	0.8
PI2		5.23	1.25	0.93
PI3		5.18	1.279	0.9
PI4		5.23	1.289	0.34
Relative attractiveness	Cronbach Alpha = 0.972			
RA1		5.29	1.176	0.97
RA2		5.37	1.095	0.98
RA3		5.53	1.182	0.77
RA4		5.47	1.084	0.84
Perceived value	Cronbach Alpha = 0.975			
PV1		5.57	1.189	0.92
PV2		5.54	1.147	0.9
PV3		5.57	1.114	0.99
Satisfaction	Cronbach Alpha = 0.949			
SAT1		5.65	1.185	0.94
SAT2		5.76	1.25	0.93
SAT3		5.74	1.346	0.92

Table 2. Model fit indices.

Model fit summary						
CMIN/DF	*p* value for CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
2.904	0.000	0.880	0.933	0.921	0.933	0.048

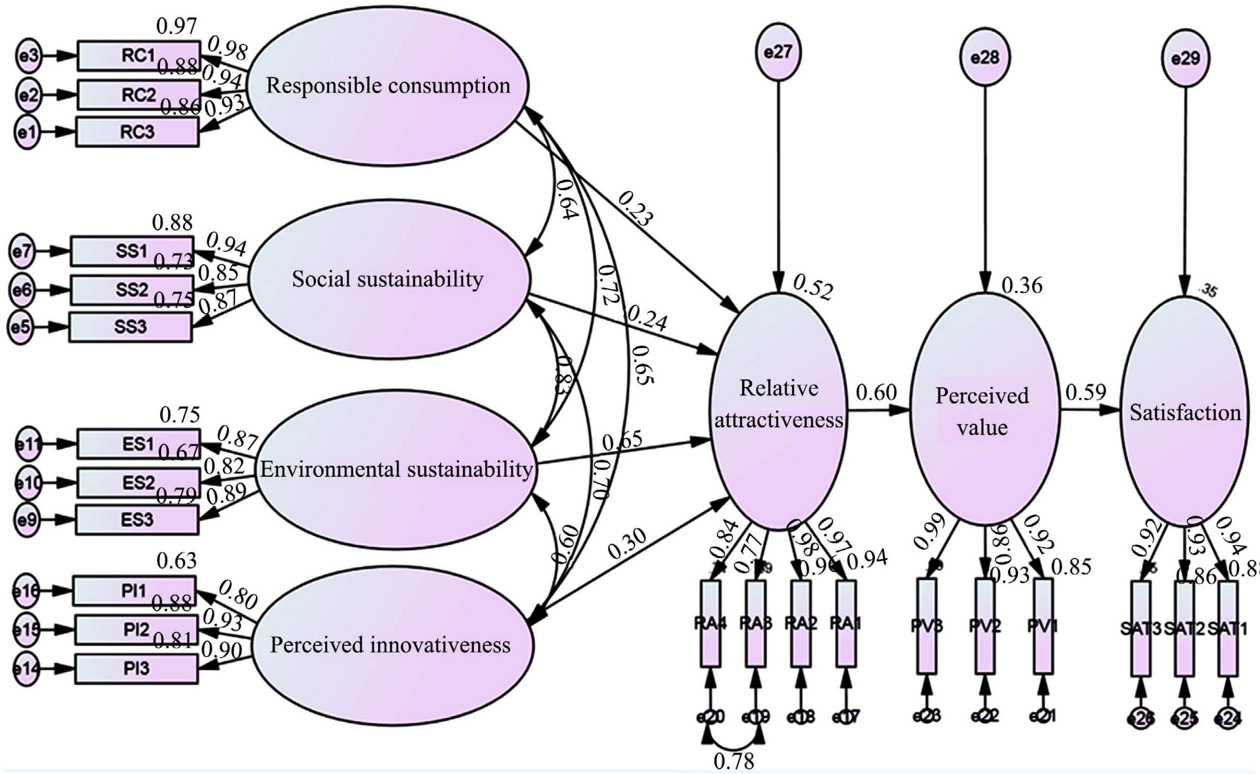

Figure 2. The study's conceptual model (Tested).

between relative attractiveness and Perceived value is also strong as 36% of the variance of Perceived value is explained by Relative attractiveness. Similarly, 35% of the variance in Customer satisfaction is explained by Perceived value which indicates a strong relationship between the constructs. The regression coefficient value between relative attractiveness and Perceived value; and between Perceived value and Customer satisfaction is 0.60 and 0.59 which reveals a strong impact of one construct on the other. The improved customer service can result in the creation and maintenance of relative attractiveness which will enhance the perceived value for the financial institute and result in customer satisfaction. It is the responsibility of financial institutes to offer the same level of professional and personalized support after the purchase as well. A non-disruptive service delivery without any discrimination will bring value to the firm and customers will be more satisfied. The financial institutes need to remove the customer's mental barrier through conventional customer interaction tools and call centres; then only things will move to the maturity stage of the well-being of both parties.

All correlation between the variables is significant at a 0.01 level of significance and has a good value of the Pearson coefficient. The strongest correlation (0.755) is between Social sustainability and Environmental sustainability and the lowest value in terms of the coefficient is between Perceived innovativeness and Customer satisfaction. It is the lowest in terms of coefficient but it is a statistically significant correlation. All values are less than 0.9 which indicates that the model doesn't have any multicollinearity issue and establishes reliability and validity for the model. Table 3 below shows the correlations between the constructs.

Hypothesis testing results

The study predominantly demonstrates the importance of the consumer as one of the key players in creating a service ecosystem that meets sustainability objectives. In the study acceptance of all alternative hypotheses reveals that customers like and are ready for responsible consumption.

H_{11}: Responsible consumption has a positive impact on a firm's relative attractiveness (*Accepted*)

Responsible consumption has a positive impact on the firm's attractiveness. It gives it a relative advantage in doing business. The study presented that if the financial institutes take care of investment propositions for individuals or families, practice value delivery, fair customer treatment, provide interaction space and help the customers with new technology then it will improve the firm's attractiveness, enhance the firm's value and will get satisfied customers. There are a number of ways through which a financial firm can create social sustainability like arranging social activities for local communities, can support relevant causes like sports, cultural programs and charity.

H_{12}: Social sustainability has a positive impact on a firm's relative attractiveness (*Accepted*)

Through Social sustainability firms may find potential in transformative services if they look past the commercial goal of the services. Frequently services are developed and planned to maximize profits, often without expressly taking into account any potential positive or negative consequences on individual and/or society's well-being. Similarly, firms have not paid enough attention to the rituals used by consumers to liven up consumption patterns. For instance, reading the New York Times cover to cover every Sunday at a neighbourhood coffee shop may give the setting a sense of home, community, and intellectual

Table 3. Correlation between the constructs.

Pearson Correlations							
	RC	SS	ES	PI	RA	PV	SAT
Responsible consumption	1						
Social sustainability	0.576**	1					
Environmental sustainability	0.632**	0.755**	1				
Perceived innovativeness	0.564**	0.630**	0.497**	1			
Relative attractiveness	0.412**	0.572**	0.450**	0.534**	1		
Perceived value	0.543**	0.437**	0.432**	0.342**	0.571**	1	
Customer satisfaction	0.328**	0.374**	0.429**	0.270**	0.400**	0.458**	1

** Correlation is significant at the 0.01 level (2-tailed).

competence (Sherry, 2000). As a result, in addition to the financial and economic effects of services, firms need to sense the well-being that services frequently bestow on people, social groups, and communities. Additionally, the socioeconomic environment and more powerful structural forces have a macro-level impact on consumer experiences (Giddens 1984, 1990).

H_{13}: Environment sustainability has a positive impact on a firm's relative attractiveness (*Accepted*)

In terms of environmental sustainability, financial firms can opt for green technologies and reduce carbon emissions, use recyclable packaging and materials, reduce food waste, etc. As discussed above in the paper that shows McKinsey in collaboration with other organizations like The Nature Conservancy, World wildlife fund, etc. working to accelerate land and water conservation worldwide. There is a need that financial institutes can be their partner or support the issues individually. The cause has great significance as we have lost 68% of the wildlife population in the last 50 years (Claes et al., 2020). These efforts will help in building a sustainable and highly inclusive economy. Moreover, almost half of the world's GDP is dependent on nature and the ecosystem (Claes et al., 2020).

H_{14}: Perceived innovativeness has a positive impact on a firm's relative attractiveness (*Accepted*)

Financial businesses can improve customer communication through the latest innovations. With diversified channels, they can create and enhance business transformation. A new way of interacting with the customer can be practised. For example, predictive analysis, digital profiling or artificial intelligence can be useful in enhancing communication. With these techniques even automated personalized customer support can be developed which can result in less expensive faster-personalized services. The enhanced customer support can help the customer to choose the solution among the range of infinite solutions. They are supposed to answer the uncertainties and make the customer understand the solution correctly. Through this approach, the emotional bonds between customers and financial institutes will be strengthened.

H_{15}: Relative attractiveness has a positive impact on a firm's perceived value (*Accepted*)

The research revealed that transformational services will create value for the firm. It is the well-being of all individuals that play a crucial role. Individuals are important because individual issues, behaviours, and outcomes frequently have an impact on society as a whole (Lewnes & Keller, 2019). For instance, enhanced consumer agency has broad effects beyond personal health. Better community access to financial services and competition amongst financial facilities can arise from a greater agency (Newman & Vidler, 2006). Similarly, enhanced consumer financial literacy may not only improve individual financial choices but also increase distributive fairness in a society.

H_{16}: Perceived value has a positive impact on a firm's customer satisfaction

(*Accepted*)

This study specifically looked at how customer satisfaction is influenced by responsible consumption, views of environmentally and socially sustainable efforts, and innovativeness. The research focused on outcomes like a customer's desire to make another purchase from or refer to a business. Businesses that discover methods to improve consumers' and employees' well-being and minimize unintended negative well-being outcomes may benefit from satisfied customers and more productive employees. In fact, growing service research indicates that customers could be prepared to pay more for services from companies that support and care about their well-being (Rosenbaum, 2008). Additionally, it revealed that an important determinant of customer satisfaction is perceived service quality, which is influenced by good customer service.

5. Discussion and Conclusion

The research presented how service transformation can impact financial businesses and all stakeholders, especially customers. It found that financial businesses engaged in responsible consumption, social sustainability, environmental sustainability, and perceived innovativeness have relative attractiveness which enhances their offer value and customer satisfaction. Financial services are directly related to individual and collective well-being because they are used on a daily basis. The 2008 Global Financial Crisis demonstrated the importance of financial services in people's well-being. Moreover, financial businesses can be more responsible toward customers by improving their awareness of financial services and their optimum use (Garbinsky et al., 2021). It is the responsibility of financial institutions to spread financial literacy among people. With investment solutions, financial institutes can also describe their appropriate use. Digital innovations can be helpful in doing so.

The research demonstrated that there is a critical need to effectively meet the demands of "unserved and underserved" customers and to enhance the welfare of societies, countries, and the global ecosystem. Financial institutes are in need to develop a business model of financial services to co-create value where customers' issues related to service sustainability and the perspective will benefit society at large. The study empirically identifies how financial firms' sustainability efforts and responsible consumption affect perceived innovation and customer satisfaction. The study displays how the latest innovations can help businesses for responsible consumption, bring more value to services and create a holistic desirable marketplace. Through it, financial services can enjoy higher customer satisfaction. Altogether it can lead to more responsible production and consumption.

6. Theoretical Contribution

The research literature shed light on the importance of human welfare marketing. It discusses the importance of customer well-being as discrimination takes place on economic differences, regions, ethnicity, etc. It presented that calamities like financial crises, terrorism, pandemic, financial literacy, carbon emission, etc. made businesses concerned about individual and collective well-being. The research addresses the issues at the nexus of service research and the transformational consumer research domain. TSR, as it is known, is a new field (Anderson et al., 2011), that focuses on enhancing the well-being of consumer entities, including people (consumers and employees), communities, and the ecosystem. The conceptual model discussed in the study shows how service and consumer interact together at a macro-environment level. The theory exposed how consumers are individually or collectively responsible for creating value for businesses. The framework highlights the various interactions that may have an impact on a variety of potential outcomes for well-being. It offers a broad perspective on how interactions between customers, society, ecosystems, innovativeness and service entities affect each other's well-being outcomes.

The study's concept connects consumers' growing need for ethical purchase and their perceptions of a business's sustainability with perceived innovation. The research provides a focused discussion and examples of TSR in financial businesses. The concept has received widespread approval as several kinds of research have been carried out in this domain (Ozanne & Laurel, 2010; Rosenbaum et al., 2011; Kavadias et al., 2016). The research conceptualizes the connection between service entities and customer well-being. It can act as a catalyst for further studies on transformational effects.

7. Managerial Implications

Nowadays, services play a vital role in consumers' lives. For example, in the US, services make up around 80% of its economy and play a crucial role in most aspects of daily life (Central Intelligence Agency, 2023). Every day, consumers interact with various service providers, from stores to restaurants to financial businesses. As a result, service businesses' actions—whether carried out by service employees as part of a service process or generally—have an impact on consumers' everyday life. Therefore, it has the potential to improve their well-being. Additionally, with transformative services, well-being is also important at the collective level. For instance, financial services can have a significant impact on family and community collectives.

The research empowers managers to increase firms' bottom lines by paying closer attention to the effects of actively boosting or accidentally harming consumer well-being. The transformative research offers fresh perspectives for further improvement and motivates managers to support more sustainable practices that can help match the goals and interests of all stakeholders. Both customers and businesses that are concerned with consumer well-being are likely to benefit from the study. In addition to the above points, some obstacles make it difficult for financial institutes to follow the fad. Many financial institutes are hesitant to upgrade, relocate, or adopt "game-changing" e-commerce software items since the process is frequently time-consuming, expensive, and puts a significant strain on their daily operations. Additionally, financial institutes are frequently forced to sign vendor contracts for services from various businesses that they would like to begin employing. Therefore, businesses hold off on investing in new optimization technologies until these contracts expire.

The study demonstrated that if financial institutes take care of investment propositions for individuals or families, practice value delivery, fair customer treatment, provide interaction space and help the customers with new technology then it will improve the firm's offer value. A manager can do it in a number of ways by arranging social activities for local communities, can support relevant causes like sports, cultural programs and charity. The businesses should account for any potential positive or negative consequences on individual and/or society's well-being rather than exclusively maximizing their profit. In terms of environmental sustainability, financial firms can opt for green technologies and reduce carbon emissions, use recyclable packaging and materials, reduce food waste, etc.

A new way of interacting with the customer can be practised. For example, predictive analysis, digital profiling or artificial intelligence can be useful in enhancing communication. With these techniques even automated personalized customer support can be developed which can result in less expensive faster-personalized services. They are supposed to answer the uncertainties and make the customer understand the solution correctly. Through this approach, the emotional bonds between customers and financial institutes can be strengthened. The research revealed that transformational services will create value for the firm. Managers should emphasise the spread of financial literacy as it not only improves individual financial choices but also increases distributive fairness in a society. Financial institutes can be more responsible toward customers by improving their awareness of financial services and their optimum use. The growing service researches indicate that customers could be prepared to pay more for services from companies that support and care about their well-being (Rosenbaum, 2008).

TSR looks into issues on both a personal and societal level and includes analyses of the micro and macro effects that services have on customer wellbeing. In fact, recent transformative studies have started concentrating on the results of communal service by examining the cooperation between service providers and poor communities (Ozanne & Anderson, 2010). The financial institutes can guide the customer for appropriate investments according to the need and maximum benefit at the right time in the right way. Consumers can also play a vital role in consumption if they start preferring the financial firms that spread financial literacy and take responsibility for society.

As a result, an increasing number of businesses are beginning to implement a "customer-centric mentality" to better meet their client's needs while also providing higher value and improving the buying experience for clients (Wielgos et al., 2021). The focus of their corporate narratives is on the customers and how their staff enables them to succeed. Companies have a variety of options at their disposal to enhance customer interactions. It could be through traditional channels like telephones, physical salespeople, letters, or digital channels like chat, e-mails, forums, virtual assistants or social media (Holmlund et al., 2017).

8. Limitations and Future Research

The study used a cross-sectional survey methodology, which from a counterfactual standpoint can only show covariance-based relationships without establishing causality (e.g., Mithas, Almirall, & Krishnan, 2006). The research mainly emphasizes only one change agent i.e. Customer. Although it is a central stakeholder who can affect the perceptions and others' behaviour, other stakeholder-like communities can be included in future studies. Some customers are environmentally conscious and others are not. So they have diversity in their views but the research did consider this fact and treated all customers equally.

In the future, business transformational research can be carried out in countries like China and India where carbon emission is increasing although it is a fraction of those emitted by developed countries like the US and Australia. Secondly, future research can measure the role of leadership and government and measure to what extent they promote sustainability. In future, more weight can be given to the responses of the customers who have been associated with the firm for a long time. Further, the studies can explore the situations where personal aims for well-being clash with those of society, like when aeroplane passengers object to government security regulations or people reject public health campaigns. TSR might look into how different customer groups and levels of well-being should be given priority (Ho & Shirahada, 2021). TSR, taken as a whole, is a new field in consumer and service research that can aid in comprehending and reducing the difficult issues now facing society.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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Appendix

Table A1. Scale for measurement.

Construct/Items	Sources	Scale extremes (1 - 7)
Responsible Consumption	Source: (Floyd & Pennington-Gray, 2004)	Scale extremes (1 - 7)
RC1	I prefer the product and services of the firms that take responsibility for society (e.g., help the local community, offer environmentally friendly products and services and discard any type of social injustice and discrimination).	completely disagree - completely agree
RC2	I limit my use of products and services that can potentially create environmental damage.	completely disagree - completely agree
RC3	I prefer to engage with firms that have the lowest negative impact on society or the environment.	completely disagree - completely agree
Social Sustainability	Source: (Kim et al., 2015)	
SS1	This firm provides social activities for local communities.	completely disagree - completely agree
SS2	This firm supports good causes (e.g., charities, sports, culture).	completely disagree - completely agree
SS3	This firm regularly introduces new solutions to address social challenges.	completely disagree - completely agree
Environmental sustainability	Source: (Kim et al., 2015)	
ES1	This firm utilizes green technologies in their daily operations to reduce food waste, recyclable packaging, recyclable materials, raw materials, etc.	completely disagree - completely agree
ES2	This firm cares for the environment.	completely disagree - completely agree
ES3	This firm prioritizes doing good things for the environment.	completely disagree - completely agree
Perceived innovativeness	Source: (Kunz & Meyer, 2011)	completely disagree - completely agree
PI1	This firm changes the market with its offers	completely disagree - completely agree
PI2	This firm is a creative firm	completely disagree - completely agree
PI3	This firm is the first to launch new solutions	completely disagree - completely agree
PI4	This firm is an innovative firm	completely disagree - completely agree
Relative attractiveness	Source: (Andreassen & Olsen, 2008)	
RA1	Does this firm have better prices than other similar firms?	to a small extent - to a large extent
RA2	Does this firm provide products and services of better quality, compared to other firms?	to a small extent - to a large extent
RA3	Does this firm have a better reputation than other similar firms?	to a small extent - to a large extent
RA4	Is this firm more attractive than other similar firms?	to a small extent - to a large extent

Continued

Perceived value	Source: (Hult, Morgeson, Morgan, Mithas, & Fornell, 2017)	
PV1	Given the quality of this firm's product and services, how would you rate the prices you pay?	very poor - very good
PV2	Given the prices you pay, how would you rate the quality for this firm?	very poor - very good
PV3	How much do you get out of the time and money you spend on this firm's products and services?	very poor - very good
Satisfaction	Source: (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001)	
SAT1	Overall, how satisfied or dissatisfied are you with this firm?	very dissatisfied - very satisfied
SAT2	Think of an ideal provider in this industry, how close or far from this ideal is this firm?	very far from the ideal - very close to the ideal
SAT3	To what extent does this firm meet your expectations?	to a very small extent - very large extent