

# **Best Value Environmental Sustainability Behavioral Intentions Model's Applicability to the Corporate Marketplace**

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## **Abstract**

**Purpose:** This paper is conceptual and is associated with extending the Basic Best Value Environmental Sustainability model introduced in 2014 to include additionally relevant services marketing constructs in a more robust and comprehensive conceptual “built environment” theoretical model.

**Design/Methodology/Approach:** Conceptual Article

**Contribution:** The 2014 Best Value Environmental Sustainability Model is consistent with the more complex and robust 2015 Best Value Environmentally Sustainable Behavioral Intentions Model. The new model identifies a model to investigate empirically that could provide new understanding for facility management practitioners and academics.

**Originality/Value:** Enhanced conceptual model is discussed. 

**Key Words:** Value, Servicescape, Marketing, Facility Management

**Paper Type:** Research Paper

“Future research should investigate additional services industries and multiple countries in the same study..., the servicescape model investigated herein should be replicated in its original form and across different service industries and settings...” (Hightower, 2013, p 258)

## INTRODUCTION

The quote above calls for researchers to investigate more complex services marketing models, in more industries, and in more countries. This project posits the conceptual underpinnings to carry out this call from *Construction Innovation: Information, Process, and Management Journal* 2013 Special Issue for the facility management industry. The services marketing literature constantly calls for the continued investigation via replication and extension of complex services marketing models. It is suggested that a service firm can use its physical facilities (i.e., servicescape or built environment-Bitner 1992) to signal the market segment for which the service is intended, and to differentiate the service firm from its competitors (Hightower 2013; Brügger et al 2011; Rust, Zahorik, and Keiningham 1996). By investigating the service provider’s physical environment, the current paper supports the notion that the 2014 Best Value Environmental Sustainability Behavioral Intentions Model (BVESBIM) (see figure 1) explains more of the variance in consumers’ behavior intentions than any extant model (Hightower and Philistin 2014).

The services marketing literature suggests that understanding the behavioral (service encounter outcomes) intentions of a service encounter is important to academicians and businessmen alike. Hightower et al 2002, Brügger et al 2011, Hightower 2013, and Hightower and Philistin 2014 suggest that the service encounter outcomes are similar to behavior intentions. The current project utilizes the BVESBIM introduced to the Facility Management (FM) industry in 2014 at the 7<sup>th</sup> Annual International Facility Management REUG Conference as a basis to include two additional service marketing constructs enduring involvement and waiting time in a more robust and comprehensive conceptual “built environment” theoretical marketing model. According to Brügger et al 2011 “...precious little research has identified the conditions that enhance or weaken the role of the servicescape.” In this project the servicescape is synonymous with the “built environment” from a mainstream marketing business perspective (Dagger et al 2014; Hightower and Philistin 2014; Brügger et al 2011; Hooper et al 2013; Hightower and Shariat 2009; Hightower 2010). The servicescape is defined as everything that is physically present about an individual during the service encounter, and a service encounter is defined as ‘all’ the customer’s/individual’s actual experience with the service provider during a transaction or

exchange.

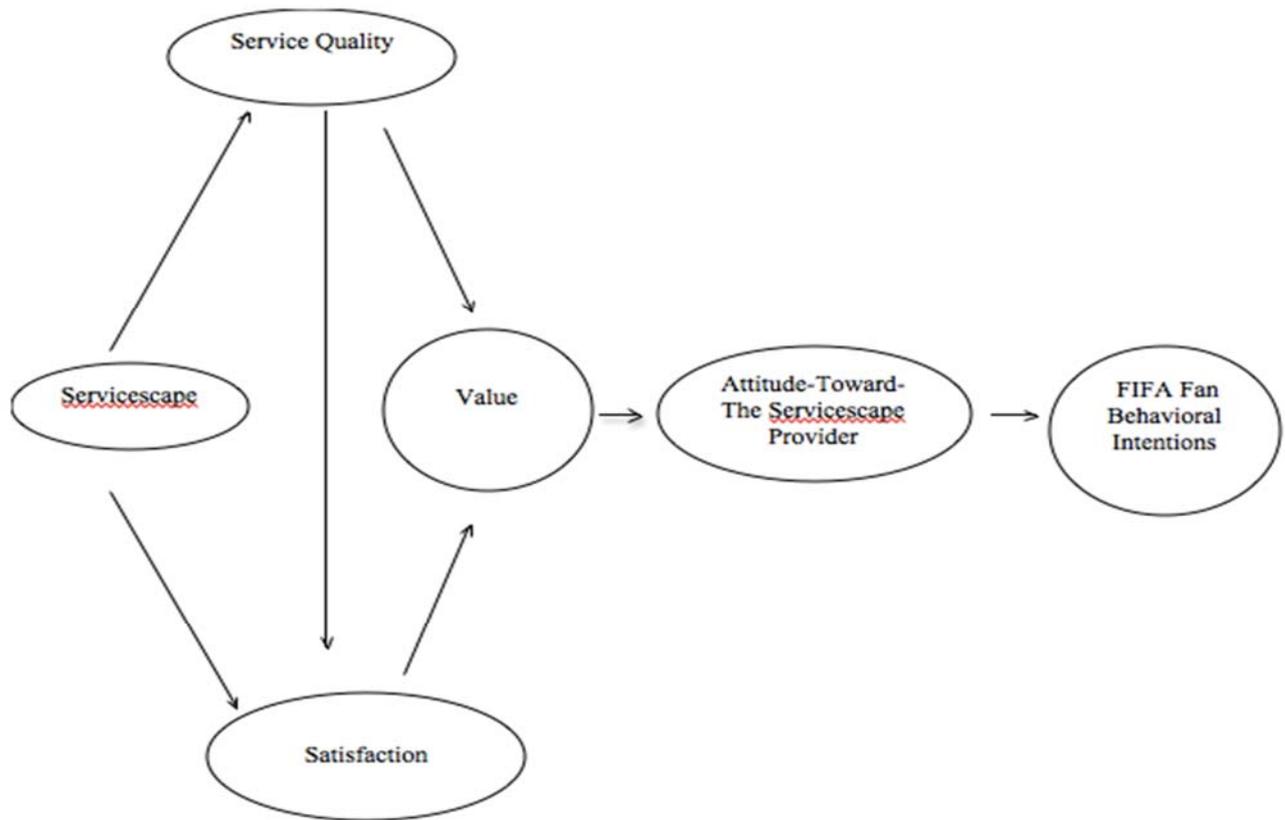


Figure 1: 2014 Best Value Environmental Sustainability Behavioral Intentions Model (BVESBIM)

The FM discipline is converging on the once out of reach “executive corporate-suite” for FM professionals. Rather than the simple historical FM discipline rhetoric whereby individuals wind up in FM careers by chance and a long way from being considered company president and chief executive officer. In the 21<sup>st</sup> century, it is now possible to earn a FM degree that may be the result of our youth deciding that FM is their career of choice while in high school. As an example take a historical snapshot of the petro chemical industry in the early 2000’s. Shell International (2004) also known as Royal Dutch/ Shell Group, had some 65,000 properties, five major businesses, and approximately 120,000 employees worldwide at the time (280 in the corporate real estate group). Note that the corporate real estate group known at that time as Shell Real Estate Services (SRES) was formed in 2001 with 120 people and a budget of \$60M, however, by the end of 2004 there were approximately 280 people with a budget of some \$340M with an estimated real estate portfolio valued at approximately \$25B. The significance with making this point is that Shell International was experiencing the realization of a services marketing academic theory that suggests that some service companies

primary investment is in its facilities. In 2004 SRES was larger in overall spending and turnover than human resources HR, information technology IT, and Finance combined. What does this mean? And Why is this important to FM? The authors posit the importance of Shell International in 2004 as an example of what the FM industry is dealing with regarding preparing for the future of FM. See the Venue Example (Table 1) for a brief depiction of the diversity of interests in FM. The current FM business trends are highly technical, expensive, diverse, global, and yet local at the same time. They include and are not limited to things like activity-based workplaces, mobile workforces, cloud computing, smart & green building movements, sustainability, FM data management, etc. In addition, the impact of 21<sup>st</sup> century global business is causing the traditional FM organizations to deal with any number of real business situations like but not limited to things like shrinking budgets, increasingly complex facilities, rising costs in traditional operations and maintenance costs, increased demand for sustainable facilities and practices, changing corporate priorities, and an interest in the true total cost of ownership of real estate assets.

Table 1: Venue Examples

Who	What	When	Where	Price	Reference
University of Oregon (donation from Phil and Penny Knight)	Football facilities	Built in 2013	Eugene, Oregon	\$68M	Portland Business Journal
2014 Winter Olympics	Adler Arena	Completed in 2014	Sochi, Russia	\$32.8M	Sbnation.com
Qatar Football Association	Lusail Iconic Stadium	Will be completed by 2022	Lusail City, Qatar	\$4B	Business Insider
Allen Economic Development Corporation	High School Football Stadium	2012	Allen, Texas	\$60M	Forbes.com

Like it or not the world is changing and FM is changing as well. Fast, big and unforgivingly can be used to describe the second decade in the 21<sup>st</sup> century business environment for service delivery organizations like Royal Dutch Shell. Thus when in 2004 Mike Napier (then Chief Executive for Real Estate, Shell International) suggested that “...We’re business people first, Real Estate People second...” (Venable, 2004). This approach is quintessential in our opinion to what the global FM industry is undergoing in 2015. Those companies that do not understand this key point run the risk of not being around in 20 years due to the changing

environment. Corporations are under tremendous competitive pressures; in addition these same corporations have to be able to continuously deliver “value” to the marketplace. Using a snapshot look at Shell Group 2004, “...identify and realize opportunities where there was value creation potential and also get to grips with the facilities that we manage—not necessarily to take over the sites that were managed within the businesses (traditional FM approach---added for explanatory purposes), but at least to look at how knowledge, skills, and best practices could be extended (new emerging Facility Management Accreditation Commission (FMAC) accredited degree program (ADP) approach to FM ‘i.e. the Gold Standard’—added for explanatory purposes).”

Historically, it may be profound for a corporation to address issues more than a decade in advance of the competition. However, when a business analysis is utilized today one should be able to start see the significance for FM industry professionals regardless of discipline (i.e., real estate, engineers, architects, construction managers, operations and maintenance, etc.). Emphasis should be placed on “value creation” for the client served versus historical, internal empire building. Napier sums our view of the emerging FM direction as the critical part of the 21<sup>st</sup> century high performing service organization as expressed in SRES’s 2004 “...we want to make sure the real estate strategies not just reflect the business strategy, but are part of the business strategy” (Venable, 2004).

## **LITERATURE REVIEW**

Several models have been advanced to operationalize and empirically specify relevant aspects of the built environment. The relationships of various constructs to the servicescape and their effect on customer satisfaction and behavioral intentions have been investigated in several seminal research studies. In relation to the servicescape, researchers have examined satisfaction (Bitner 1992; Churchill and Surprenant 1982, Dagger and Danaher 2014, Fornell 1992, Hightower and Philistin 2014, Hightower et al. 2002, Oliver, 1997, Oliver and Swan 1989, Tse and Wilton 1988, and Westbrook 1987), service quality (Babakus and Boller 1992, Boulding et al. 1993, Dagger and Danaher 2014, Hightower 2013, Hightower and Philistin 2014, Hightower et al. 2002, Parasuraman et al. 1985, 1988, Rust and Oliver 1994, Zeithaml et al.1990, 1996), value (Bolton and Drew 1991; Hightower and Philistin 2014; Hightower et al. 2002; Ostrom and Iacobucci 1995, Zeithaml 1988), attitude toward the service provider (Hightower 2013), behavioral intentions (Brüggen, Foubert, and Gremler 2011, Hightower 2013, Hightower and Philistin 2014) and to a very limited extent, wait time (Hightower 2002; Taylor 1994, and Taylor and Claxton 1994) and enduring involvement (Hightower 2002). In

examining these constructs with respect to the servicescape, the vast literatures of each has been brought to bear in empirical models to establish the relationship of each construct to various aspects of the built environment, especially on satisfaction and behavioral intentions.

### **Current Models of the Built Environment**

Built environment modeling has examined short and long-term effects of changes to the environment on behavioral intentions, affect, and cognitions (Brüggen, Foulbert, and Gremler 2011); and the differential effects of those changes on psychological response and sales of novice versus expert customers (Dagger and Danaher 2014). There are also various works in the service marketing literature that examine servicescapes, or the built environment within that field. Chief in relation to the current study is Hightower, Brady, and Baker (2002). Hightower, et al. (2002) builds empirical support for the equivocal nature of the relationship between servicescape outcomes and behavioral intentions (Hightower and Philistin 2014). More to the point, Hightower et al. (2002) empirically tests a research model examining the relationships between enduring involvement, the servicescape, service quality moderated by perceived wait time, and positive affect and value in relation to behavioral intentions. Similarly, Hightower and Philistin (2014) includes attitude toward the service provider that acts to mediate behavioral intentions with respect to the built environment. Further, the results of Hightower et al. (2002) indicate statistically significant relationships among these constructs and provide the theoretical basis to extend and update the built environment literature to include both enduring involvement and wait time. Given the posited equivocal nature of servicescape outcomes and behavioral intentions Hightower and Philistin (2014), and the empirical support of the relationships among the constructs (Hightower et al. 2002), it follows that the addition of enduring involvement and wait time would build a more robust model.

### **Enduring Involvement**

Enduring involvement has a vast literature as evidenced by years of study and empirical support for various relationships in various fields and has been shown to moderate the meaningfulness and nature of experiential outcomes (Havitz and Mannell 2005), brand purchase intentions (Mathews-Lefebvre and Valette-Florence 2014), online purchasing (Goldsmith and Flynn 2004) and satisfaction in leisure behaviors (Bloch and Bruce 1984). Given the positive relationship to experiential outcomes and attitude measures, it follows enduring involvement would also be an integral part of models of the built environment in the

facilities management literature. However, very few studies exist which examine the interaction of enduring involvement and its interaction with the built environment.

As utilized in the aforementioned the Hightower et al. (2002) study examines enduring involvement in the service provision arena. Enduring involvement is defined as long-term personal relevance, with valence based on the strength of association of the product or service with the consumer's self-image. Enduring involvement has also been used to study novice versus expert consumers' reactions to remodeled retail environments (Dagger and Danaher 2014); and support has been found for direct relationships with positive affect and the servicescape (Hightower et al. 2002). In addition to enduring involvement, the addition of wait time to the model of the built environment will ostensibly account for significant variance and help to create a more robust and comprehensive model.

### **Service quality and wait time**

It is well documented that wait time or perceived wait duration is an integral part of the service encounter (Bitner 1990, 1992), and has a direct effect on satisfaction with the service encounter (Taylor 1994). Additionally, McGuire, Kimes, Lynn, Pullam and Lloyd (2010) found that activity or environmental entertainment during wait time increased satisfaction with the encounter as opposed to boredom or inactivity. Further, McGuire et al. (2010) suggests further study to on perception of wait time based on various service environments. Finally, Hightower et al. (2002) provides empirical support of the relationship between perceived wait time and service quality.

The integration enduring involvement and wait time constructs is also suggested by Hightower 2013 in which results indicate a significant positive relationship between the perceptions of the servicescape and attitude toward the provider, mediated by satisfaction. Further, as is well documented and empirically supported by Hightower 2013, satisfaction has a significant positive relationship to purchase intentions.

### **Attitude Toward a Built Environment Service Provider**

Overall attitude-towards-a built environment service provider has a direct, positive effect on behavioral intentions. A key step in predicting consumers' outcome behavior is to obtain a measure of their attitude-towards-a built environment service provider. The attitude literature supports the idea that the more favorable a consumer's attitude-towards-a built environment service provider is, the more likely it is for a consumer to have favorable behavioral intentions with the service provider. Likewise, the more unfavorable the attitude-towards-a built

environment service provider, the more likely it is for a consumer not to have favorable behavioral intention perceptions. According to Rokeach (1968), two types of attitudes – one activated by the object, mediate a person’s behavior, the other activated by the situation. Service performance is suggested to act in the role of the object, and the servicescape (i.e. the complete physical environment where the service encounter takes place or simply the built environment) is suggested to perform the role of the situation (Hightower, 2013; Hightower and Philistin, 2014).

The current project investigates Rokeach’s (1968) argument that a customer’s behavior is mediated by at least two types of attitudes. This is important for twenty-first century facility managers to focus not only on adjusting the quality of the service provided when the consumer appears to make cognitively based decisions, but also to focus on controlling the firm’s built environment because it appears that they work together to influence consumers’ behavior intentions. Thus, facility managers should be better able to understand consumer behavior intentions if they focus on the two mediating attitudes – the quality of service provided (i.e. the object) and the service provider’s built environment (i.e. the situation).

### **THE POSITED MODEL**

As stated, the purpose of the current paper is to provide the conceptual theory justification calling for a replication and extension of Hightower and Philistin’s, 2014. This paper suggests that the research model herein, the 2015 Best Value Environmental Sustainability Behavioral Intentions Model (2015 BVESBIM) (see Figure 2) is a more comprehensive services marketing model that will explain more of the variance in customer behavioral intentions than any services model in the extant literature. Based on the 2014 BVESBIM in conjunction with extant literature regarding enduring involvement and wait time, we forward the following hypotheses for empirical examination:

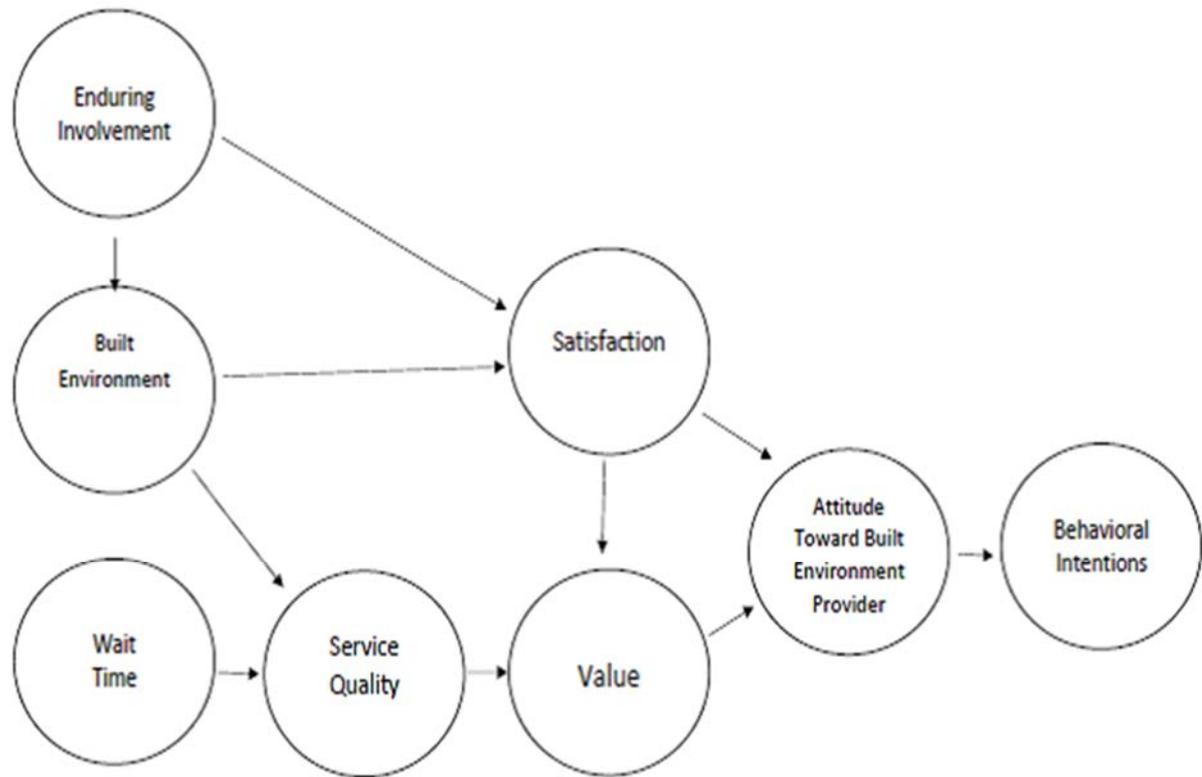


Figure 2: 2015 Best Value Environmental Sustainability Behavioral Intentions Model (BVESBM)

**Hypothesis 1:** The 2015 Best Value Environmental Sustainability Behavior Intentions Model is posited to explain more of the variance pertaining to consumers' behavioral intentions than the 2014 Best Value Environmental Sustainable Behavioral Intentions model.

**Hypothesis 2:** The 2015 Best Value Environmental Sustainability Behavior Intentions Model is posited to explain more of the variance pertaining to consumers' behavioral intentions than any other environmentally sustainable behavioral intentions model in the extant literature.

**Hypothesis 3:** Consumers' attitude toward the built environment provider has a positive effect on consumer behavioral intentions.

## RESEARCH LIMITATIONS

The current project clearly needs to move to the next step in the research process and move toward developing hypotheses depicted by the relationships in Figure 2. The proposed research model includes notable services marketing constructs like enduring involvement and

wait time that are critical to the built environment and facilities management professions from an academic as well corporate prospective. It is this type of empirical investigation that will power the FM industry to the forefront of community interest. That community is rightfully defined to be global and local businesses along with K-24 education institutions. We call for a collaborative empirical study (i.e., between corporate and academics to investigate the BVESBIM) such that future research should investigate additional services industries and multiple countries in the same study. Lastly, the servicescape model investigated herein should be replicated in its original form and across different service industries and settings to investigate the generalizability of these Brazilian findings to Russia, India, China, and South Africa in an effort to better understand consumers in the other B.R.I.C.S. countries.

## **CONCLUSIONS**

In closing the authors wholeheartedly agree with the visionary Royal Dutch Shell executive's comment with respect to the FM discipline "...corporate real estate and facility management must reinvent themselves from a perception of 'business support' to a reality of 'business critical'..."(Venable 2004). The BVESBIM discussed herein is strongly based in the services marketing and facility management literatures, and deserves empirical validation and refinement. The authors also agree with the US National Research Council regarding the growing significance of the enterprise knowledge (i.e., business, technical, and behavioral) needed to enhance a firm's ability to deliver value to shareholders. The 21<sup>st</sup> century FM professional must be prepared to 1) master the mindset of the executive suite, customers, and shareholders, 2) manage the complete life cycle while focusing on the total cost of ownership, 3) manage and measure performance across the organization, and 4) use data, systems, in combination with institutional knowledge to make better decisions regarding corporate assets.

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