Creating Hotel Services from a Perspective of Extraordinary Customer Experience

Summary

This conceptual article aims to explore the process of providing hotel services in the context of requirements arising from the experience economy. Both the concept of experience marketing and the concept of customer experience management provided a theoretical framework for the discussion. Based on a review of literature and conclusions derived from hotel managers’ experiences, a research model is proposed, which may be of some importance for researchers, as it may serve as a basis for future studies relating to hotel services. On the other hand, as far as practitioners are concerned, this model may be a starting point for developing a range of hotel services that stand out in the market and fully meet the expectations of contemporary customers, who are orientated towards extraordinary experience. The developed model demonstrates that hotel services consist of many so-called touch points where experiences should be examined, and each of these moments of contact with the brand should be incorporated into an integrated process of hotel guest experience management.

Key words: hotel service, experience economy, experience marketing, customer experience management, extraordinary experience.

JEL codes: L83, M31, Z33

Introduction

The experience economy is perceived as another stage of market development. In a contemporary world in which brands rule, products are no longer bundles of functional characteristics but rather a means to provide and enhance customer experiences (Schmitt 1999, p. 54). Nevertheless, the literature refers to the fact that experiences provided for customers must not be ordinary, but extraordinary (Abrahams 1986, p. 49; Arnould, Price 1993, p. 25), meaningful (Boswijk, Thijssen, Peelens 2007, p. 24; Riivits-Arkonsuo, Leppiman 2014, p. 6) or memorable (Kotler 2003, p. 62; Stuart 2006, p. 149). Offering such experiences is becoming, so to speak, ‘a contemporary market imperative’.

Attention must be drawn to the special importance of customer experiences in the service sector, since from the experience marketing perspective, service companies are in a privileged position. Due to the fact that production and consumption are inseparable,
in the overwhelming majority of services, the customer – so to speak – ‘by definition’ experiences direct contact with the service provider (Boguszewicz-Kreft 2006, p. 11). Therefore, it seems that research into the shaping of the desired experiences of customers purchasing services is of paramount importance, although this only applies to experiences that are extraordinary and reflect the service providers’ intentions. As regards the scientific literature, there are publications which, while taking into consideration the aspect of experience marketing, refer to the rendering of services in different areas such as tourism (Mossberg 2007; Scott, Laws, Boksberger 2010; Agapito, Mendes, Vallea 2013), retailing (Grewal, Levy, Kumar 2009; Petermans, Van Cleempoel 2009; Cachero-Martinez, Vázquez-Casielles 2017) and banking (Garg, Rahman, Qureshi 2014; Chahal, Dutta 2015; Hoover 2016). There are not, however, too many publications which would thoroughly describe the complexity of enhancing the hotel guest experience (Han, Back 2007; Ali, Hussain, Ragavan 2014; Khan, Garg, Rahman 2015; Ren, Qiu, Wnag, Lin 2016; Yoon, Lee 2017). Therefore an important gap exists in the literature in terms of a theoretical framework based on empirical research that would be helpful in understanding the overall customer experience in the hotel services (Yoon, Lee 2017, p. 586). This article is designed to contribute, to a certain extent, towards filling that gap. Hence, it aims to explore the process of rendering hotel services with respect to so-called touch points and the management of them in line with the concept of customer experience management. Based on a review of literature and having considered conclusions derived from hotel managers’ experiences, a research model has been put forward, which may serve as a basis for future studies relating to the shaping of hotel services in accordance with the requirements of the experience economy.

The era of the experience economy – the advent of experience marketing and customer experience management

Scientific literature has been referring to the existence of the experience economy for the last two decades. The emergence of this new era in the market development process was announced by Pine and Gilmore in 1998 (Pine, Gilmore 1998, p. 98). In the experience economy, memorable experiences engage people in inherently personal ways – such experiences are becoming the predominant selling point. It has supplanted the service economy that flourished in the latter half of the 20th century, which in turn had superseded the industrial economy, which itself had displaced the agrarian economy. Experiences are what people want, and therefore what companies must offer (Pine II 2009, p. 354).

A key implication arising from the emergence of the experience economy is a change in the approach to marketing. According to many marketing experts, marketing in the 21st century is all about delivering customer experience. Future generations of consumers will have more discretionary income, less time and more choices, and will display wholly new spending patterns, depending on age, geography and wealth. Customers will be looking for experiences, not just a product (Hudson 2008, p. 433).
In response to these challenges, the experience marketing concept emerged, which is referred to as the strategic (customer-centric) and holistic marketing of relevant (and meaningful) experiences that takes into account the affective, cognitive and conative perspectives of consumption experience. Experience marketing as a marketing planning tool is concerned on tactical and operational level actions where the main question is how to conduct marketing experientially (Same, Larimo 2012, p. 485). From a managerial perspective, experience marketing can be used to create subconscious triggers that define consumer perceptions of abstract notions of the product (e.g. its sophistication, quality, elegance, innovativeness, modernity, interactivity) – the brand’s personality (Krishna 2012, p. 332).

The experience economy is considered as a main underpinning for customer experience management – CEM (Same 2012, p. 8). Such an approach is based on a belief that the organisation is perceived by customers as a whole; thus, building experiences should be also comprehensive. An overall experience is something more than just the sum of its parts – various points at which a given customer comes into contact with the company (touch points) may strengthen (synergy) or weaken each other, as far as creating positive customer emotions is concerned. A single negative incident may have a disproportionately strong influence on how an image is assessed, therefore both the front stage – i.e. elements with which the customer comes into contact directly such as service, equipment – and the back stages, such as cleaning or billing, must be controlled (Skowronek 2011, p. 69). Due to direct contact with the customer and his or her subjective assessment of the quality of the product or service on offer, planning and providing the desired experiences at all the touch points assumes a role of particular importance in service companies.

The meaning of extraordinary customer experiences in contemporary services

Opportunities for applying the experience marketing concept and the scope of such an application are not analogous throughout the entire market. The effective application of this concept is dependant upon many factors. The most important of them include (Waśkowski 2016, pp. 351-352):

- the industry in which the organisation conducts its operations – there are considerably fewer opportunities for using affective experiences as the basis for marketing activities in the case of investment products than, for example, in the so-called free time industry;
- the product and the related purchasing process – taking into consideration the form of the products, services is much more suitable for the application of the experience marketing concept;
- the type of purchasers whom the organisation attempts to reach – are they young people, extroverts willing to meet new challenges or more affluent people that more frequently seek extraordinary experiences;
- the competent implementation of an approach focused on building experiences – only strategic (systemic and long-term) solutions, in which the emotional sphere will be the
leading plane on which relationships between purchasers and the organisation (its brand) will be built and strengthened, will bring about the desired effects.

In the context of the type of product and purchasing process, it is necessary to demonstrate connections between service and customer experience. Similarly to services, experiences also fulfil some basic criteria: they are non-material, heterogeneous, impermanent and it is not possible to put them into storage. There are, however, significant differences: a service is provided for the customer and may relate only to his or her body (e.g. manicure), property (for instance, washing a car) or a specific task (e.g. filing a tax return with a tax office). An extraordinary experience, on the other hand, is a proposition that influences the customer, provokes a response (e.g. by entertainment) and which will be engraved in his or her memory. Both in the case of goods, services and experiences, there is a consumption phase, although, as regards the latter, consumption is the main component. While goods are tangible and can be possessed in reality, services are non-material, yet they provide the customer with an outcome as a result of the service rendered. For experiences, on the other hand, the only thing that matters is what occurs between the recipient of the marketing activities and the company during the extended and intensified consumption phase and the memories that will be engraved for long afterwards (Kacprzak, Dziewanowska, Skorek 2016, pp. 44-45).

In general, experiences created by service companies are much more comprehensive than experiences built by organisations manufacturing material goods. As observed by Boguszewicz-Kreft (2013, p. 49), in the case of services, the brand simply becomes a synonym of an extraordinary experience. Such an observation seems to be particularly legitimate in relation to hotel services, as they are provided outside the purchasers’ homes (during their business, family, sightseeing trips, and so on) – purchasers, who are often orientated towards new, deep experiences in the form of recreation and entertainment.

**Customer experience touch points in hotel services**

In the current information society, the customer has more choices. It is possible to make a reservation in a hotel around the world by using booking portals. A key factor influencing their choice is experience – not only their own but that of other hotel customers too. They may base their decision on reviews available on the Internet. Very often they build their opinion about a hotel brand based on the experience of one or more hotels of this brand.

This is very important when it comes to recognizing and studying the main touch points of the customer experience in the hotel services to provide not only ordinary but extraordinary experiences. Providing great and memorable – in other words, extraordinary – experiences is the best way to compete on the hotel service market (Quadri-Felitti, Fiore 2012).

In order to analyze hotel service touch points, it may be beneficial to use a globally used method of measuring service quality – SERVQUAL (Parasuraman, Zeithaml, Berry 1988), which shows the main areas that are important for customer perception and the subsequent assessment of services. However, recent service quality researchers have criticized this as-
essment method because of its excessive concentration on the transactional stage of the service (Voss, Roth, Chase 2008). Customer experience, especially in services, is a more appropriate approach because it takes into account the definition of service quality and verifies the static nature of the service quality measurement. The result of this discussion in the literature is the development of a new measurement scheme for experience (Klaus, Maklan 2013) with a wider scope than service quality assessment because evaluating experience incorporates feelings and emotions – very important in hotel services.

Customer experience is a validated predictor of hotel guests’ behaviour. Regarding hotel services, the customer experience is a more appropriate measure, because it is a holistic consumer construct taking into account the sum of all the direct and indirect interactions with the hotel services provider. The overall experience includes such elements as: searching for the hotel, booking online or directly, travel to the hotel, checking in, checking out and getting from the hotel to the next destination, not only the actual stay in the hotel. Customer experience also assesses the influence of other customers and other service providers on consumer behaviour (Klaus, Maklan 2013, p. 239).

Customer experience is conceptualized as ‘the customer’s subjective response to the holistic direct and indirect encounter with the firm, and customer experience quality as its perceived excellence or superiority’ (Khan, Garg, Rahman 2015, p. 267). But customer experience – bases on the concept outlined by Berry, Seiders and Grewal (2002) – in hotel services it is a kind of journey which begins before the service provision and continues after its consumption. Before the purchase or execution of the service, the customer experiences indirect or direct contact with the hotel and reads reviews. After the provision of services, the customer undergoes experiences. Even after visiting the hotel, the customer experiences memories.

Understanding customer perception of experiences – also extraordinary – is particularly important in hotel services, because hotel guest experience not only occurs inside their rooms, but at various touch points along the way.

**Developing hotel services in the context of the experience economy – a research model**

The importance of an approach based on marketing experience in hotel services becomes more and more important. If we want to build a competitive advantage in the hotel services market it should be based on providing experience, also extraordinary – because of their specificity.

Among academics who conduct research on the evaluation of experiences, the experience economy concept (Pine, Gilmore 1999; 2011) recently drew the attention of researchers of hospitality and tourism (Mehmetoglu, Engen 2011) – a study made by Ali, Hussain and Ragavan (2014). But also we may find in the literature different approaches such as the one presented by Klaus and Maklan (2012), which was used in the research made by Khan, Garg and Rahman (2015) or in the study carried out by Fernandes and Cruz (2016) and Schmitt’s

In various studies we may find a number of dimensionality approaches to experience in hospitality and tourism. Hemmington (2007) proposed the five dimensions of hospitality experience: the host-guest relationship, generosity, theatre and performance, small surprises, safety and security. In their studies on the field of hospitality, Knutson et al. (2009) found four dimensions of customer experience: environment, accessibility, driving benefit and incentive. Walls (2013) identified two broad dimensions: physical environment and human interactions.

Based on the analysis of the world’s literature on this issue (Ali, Hussain, Ragavan 2014; Khan, Garg, Rahman 2015; Fernandes, Cruz 2016; Yoon, Lee 2017) a theoretical model have been proposed for hotel services (Figure 1). Schmitt’s concept was the starting point for the proposed model. The conceptual model expands our understanding of the experience economy by examining how extraordinary experiences operate together with the multiple dimensions of the guests’ experience at hotels to develop their loyal behaviour.

This scientific description presents elements of customer experience quality which influence the key behavioural outcomes of hotel guests: customer satisfaction, customer hotel brand loyalty and word-of-mouth (WoM).

Experience quality is a multidimensional construct corresponding to a three factor structure consisting of feel-think-act experience, sense experience (Yoon, Lee 2017) and relate

**Figure 1**

**Conceptual model of experience on hotel services**

- Feel-Think-Act Experience
- Extraordinary Experiences
- Customer
- Hotel Brand Relationship
- Experience Quality
- Customer Satisfaction
- WoM
- Hotel Guest Loyalty

- latent variables

- moderator

Source: Authors’ own work.
Customer experience quality and customer satisfaction are distinct constructs (Garbarino, Johnson 1999). It was assumed that extraordinary experiences can moderate the experience quality. Better experiences evoke positive feelings and emotions and make the consumer want to repeat them. The customer experience provides satisfaction as an emotional response to the product experience (Dagger, Sweeney, Johnson 2007; Khan, Garg, Rahman 2015) and also has a positive impact on other areas of customer loyalty such as the relationship between the customer and the hotel brand (Yoon, Lee 2017) or hotel guest loyalty (Ali, Hussain, Ragavan 2014). A satisfied consumer is the source of positive word-of-mouth (Maklan, Klaus 2011; Khan, Garg, Rahman 2015). Word-of-mouth is also influenced by customer hotel brand relationship and hotel guest loyalty.

Therefore, in the presented conceptual model, an assumption was made regarding the direct influence of customer experience quality dimensions on customer satisfaction, customer hotel brand relationship and customer loyalty, as well as the indirect influence of customer satisfaction on word-of-mouth through customer hotel brand relationship and customer loyalty.

It is important to emphasize that extraordinary customer experience consists of what is memorable and what can lead to patterns of loyal behaviour (Farias, Aguiar, Melo 2014). We must be aware that this is a subjective assessment on the part of the hotel guest and the hotel does not have complete control over it. As shown in the model, different constructs can influence the customer experience. ‘The extraordinary experience is a holistic result of their interaction’ (Farias, Aguiar, Melo 2014).

Creating holistically unique customer experiences at all points along the way is crucial, because the experience of hotel guests tends to evolve over time, based on an aggregated set of factors on which they assess their experience (Yoon, Lee 2017).

Conclusions

Managing the hotel guest experience is an essential issue in today’s highly competitive services market (Verhoef et al. 2009), because the customer experience construct has an effect on key consumer behavioural outcomes (Khan, Garg, Rahman 2015, p. 271). Evaluation of customer experience not only occurs while staying at a hotel but also involves the periods before and afterwards. Overall customer experience assessment includes every touch point with the service organisation providers.

Recognizing and understanding dimensions of the hotel guest experience can help managers create and implement strategies that have the most positive impact on loyal consumer behaviour. The consequence would be effective hotel guest experience management which influences their satisfaction, hotel brand relationship, customer loyalty and positive word-of-mouth about the hotel or hotel brand (Khan, Garg, Rahman 2015, p. 271).

Hotels should provide their guests unique experiences by conducting research and marketing programs based on experiential touch points (Yoon, Lee 2017, p. 586). The ‘experien-
tial’ aspect of a service is so important that it has been rightly named ‘The Moment of Truth’ (Ruskin-Brown, 2005, p. 141).

Activities that aim to broaden the spectrum of experiences, and thus deepen the perception process of the addressees of marketing communication, therefore, seem to be particularly important in contemporary market realities. As a result, a particular brand is associated with positive emotions, and this distinguishes it from its competitors and forges a strong bond of loyalty with the customers.

At the core of the proposed model is the assumption that currently not only the basic characteristics of hotel services and their price are the most important for customers, but the experiences that are generated while using the service. One way to stand out from the competition may be to offer hotel guests extraordinary experiences that will create unique memories about their stay at the hotel.

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Kształtowanie usługi hotelarskiej przez pryzmat wyjątkowych doświadczeń klientów

Streszczenie

Celem artykułu jest eksploracja procesu świadczenia usługi hotelarskiej w kontekście wymagań wynikających z realiów gospodarki doświadczeń. Ramy teoretyczne dla prowadzonych rozważań stanowiły: koncepcja marketingu doświadczeń i koncepcja zarządzania doświadczeniem klienta. Na podstawie przeglądu piśmiennictwa i wniosków wynikających z doświadczeń menadżerów hoteli, zaproponowano model badawczy, który dla naukowców może stanowić podstawę przyszłych badań dotyczących usług hotelarskich. Z kolei dla praktyków model ten może stanowić punkt wyjścia przy kształtowaniu takiej oferty hoteli, które silnie będą wyróżniać się na rynku i w pełni spełniać oczekiwania współczesnych klientów, ukierunkowanych na zdobywanie wyjątkowych doświadczeń. Zbudowany model pokazał, że usługi hotelarskie składają się z wielu tzw. punktów styku, w których powinno się badać doznania, a każdy z tych momentów kontaktu z marką powinien zostać włączony w zintegrowany proces zarządzania doświadczeniem gości hotelowych.

Słowa kluczowe: usługa hotelarska, gospodarka doświadczeń, marketing doświadczeń, zarządzanie doświadczeniem klienta, wyjątkowe doświadczenie.

Kody JEL: L83, M31, Z33

Формирование гостиничной услуги сквозь призму исключительного опыта клиентов

Резюме

Цель статьи – изучить процесс предоставления гостиничной услуги в контексте требований, вытекающих из реалий экономики опыта. Теоретические рамки для проводимых рассуждений представляла концепция маркетинга опыта и концепция управления клиентским опытом. На основе обзора литературы и выводов, вытекающих из опыта менеджеров гостиниц, предложили исследовательскую модель, которая для научных работников может быть основой будущего изучения гостиничных услуг. С другой стороны, для практиков эта модель может быть отправной точкой при формировании такого предложения гостиниц, которые будут сильно выделяться на рынке и полностью выполнят ожидания современных клиентов, нацеленных на приобретение исключительного опыта. Построенная модель показала, что гостиничные услуги состоят из многих так называемых точек соприкосновения, в которых следует изучать впечатления, а каждая из этих точек соприкосновения с маркой должна быть включена в интегрированный процесс управления опытом гостиничных гостей.

Ключевые слова: гостиничная услуга, экономика опыта, маркетинг опыта, управление опытом клиента, исключительный опыт.

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