

# Customer value based experience design in tourism

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University of Eastern Finland

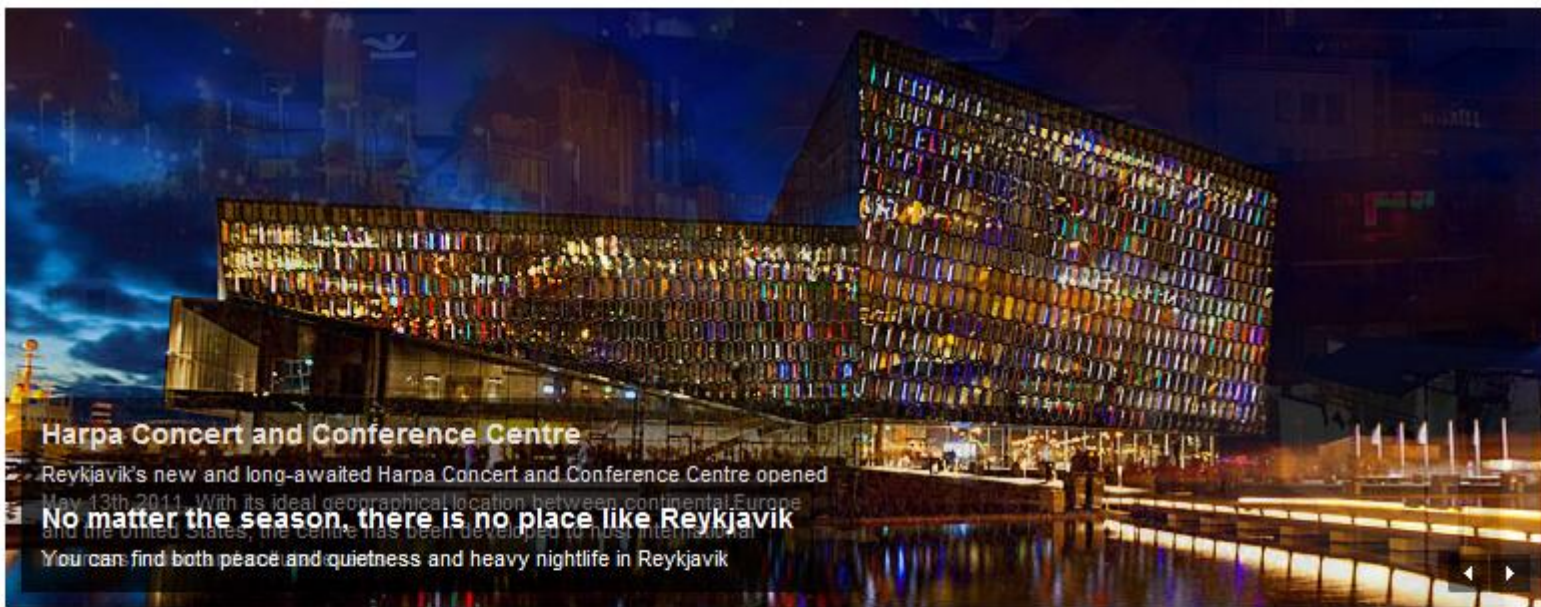
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Why do people travel...

Insted of staying at home??

# Needs, motivations: Leisure motivation scale

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- ▶ Intellectual component (mental activities, such as learning, exploring, discovery, imagery)
- ▶ Social component (need for friendship, need for esteem of others)
- ▶ Competency-mastery (achieve, master, challenge, compete, => physical activities)
- ▶ Stimulus-avoidance (escape, seek to rest, relax, etc)



# Tourist product: Smith 1994

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The tourist product is fundamentally

- ▶ a *complex human experience*,
- ▶ which is an *output of a production process*,
- ▶ where the tourist utilizes the facilities and services
- ▶ to generate the *final output*, experience



# Tourist Product: Middleton and Clarke (2001)

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- ▶ The tourist product means *customer value*, which is *'the perceived benefits provided to meet the customer's needs and wants, quality of service received, and the value for money'*

# Customer value

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- ▶ customer value is the *core of the tourist (experience) product* and the *starting point of product development (in tourism)* (Komppula 2005)
- ▶ Several related terms occur in the research literature:
  - ▶ *customer perceived value,*
  - ▶ *customers' desired value,*
  - ▶ *consumer value,*
  - ▶ *consumer perceived value,*
  - ▶ *service value* etc.

# Woodruff (1997)

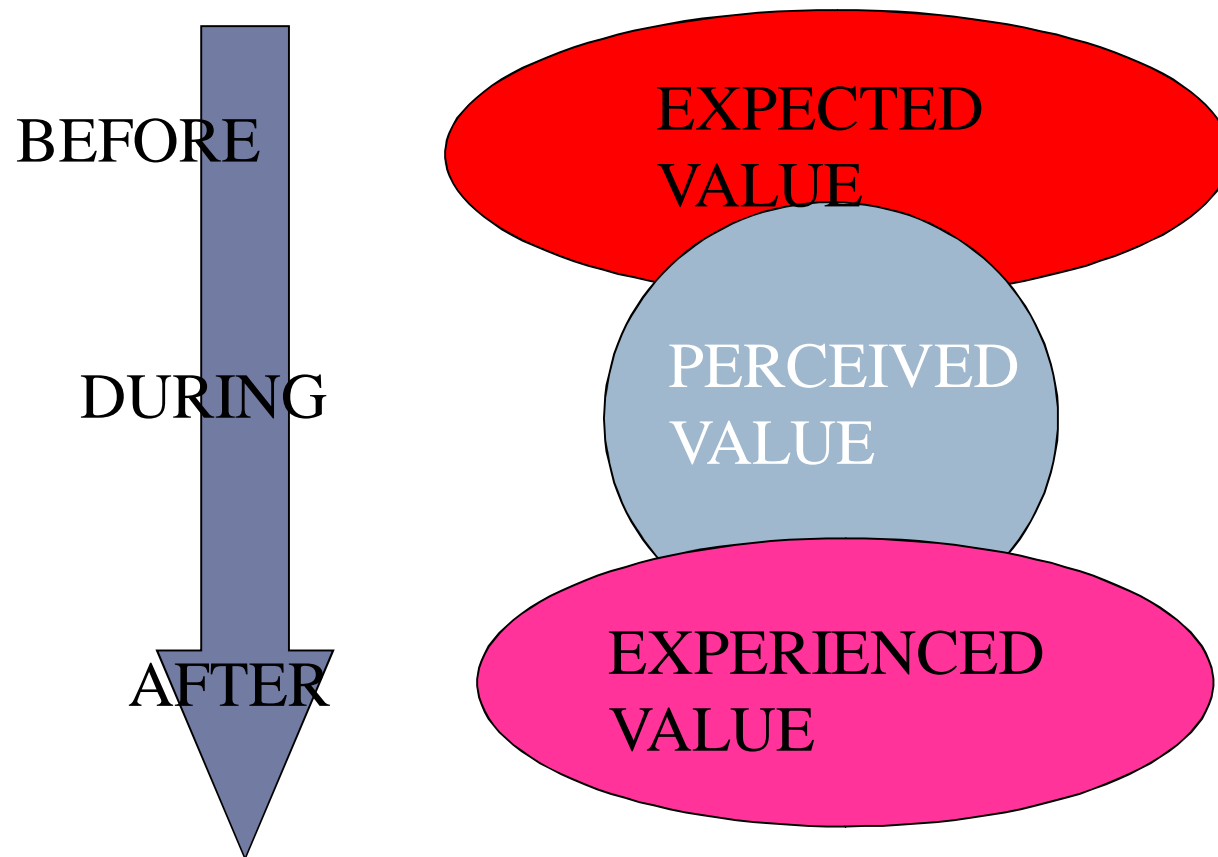
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- ▶ "Customer value is a customer's *perceived preference for and evaluation of those product attributes, attribute performances, and consequences* arising from use that facilitate (or block) achieving the *customer's goals and purposes in use situation*"



# CUSTOMER VALUE: Benefits /Sacrifices

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# Expected Customer value

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- ▶ Refers to the needs, goals and purposes of the customer
- ▶ Reflects the desired value
- ▶ Goals and purposes refer to needs, motivations → travel motivation, WHY DO PEOPLE TRAVEL INSTEAD OF STAYING AT HOME???

# An Experience (??)

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- ▶ *When buying an experience, a customer pays to be able to spend time and enjoy a series of memorable events, which the enterprises 'set on display' (Pine & Gilmore 1999)*
- ▶ in (a sharp) contrast or opposing to the daily experience (Gilmore and Pine 2002)
- ▶ When positive, leads to a reaction, which results in the recognition of value, that remains in one's memory long afterward (Anderec, Bricker, Kerstetter & Nickerson 2006)



# An Experience or an Extraordinary Experiences (Erlebnis?) ????

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- ▶ Extraordinary Experiences stand out against other competing tourism offers
- ▶ Hold a special meaning for the tourist
- ▶ A rite of passage or a moment of personal development
- ▶ Hedonic
- ▶ Adventurous, physically/psychologically challenging, e.g.

But do tourists always expect an  
"extraordinary" (Erlebnis/Elämys)  
type of travel experiences???

# Components of value (Seth et. Al. 1991)

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- ▶ **functional value** (the functional, utilitarian, or physical performance of the product),
- ▶ **social value** (product's association with one or more specific social groups)
- ▶ **emotional value** (the product's capacity to arouse feelings or affective states),
- ▶ **epistemic value** (product's capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge)
- ▶ **conditional value** (the result of the specific situation or set of circumstances facing the choice maker)

# Customer value..

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- ▶ Perceived value
  - ▶ Perceptions and expectations before entering the facilities
  - ▶ Perceptions while the service is being performed

## ▶ The experienced value

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- ▶ Experiences encountered during the service episodes
- ▶ Experiences after the actual service
- ▶ The total experience
- ▶ Reflects customer satisfaction with the received value, evaluated against the customer's goals and purposes.

# Holbrook's (1994, 1999, 2005) typology of customer value

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	Extrinsic	Intrinsic
Self-oriented		
- active	EFFICIENCY (O/I ratio, Convenience)	PLAY (Fun, Leisure)
- reactive	EXCELLENCE (Quality)	AESTHETICS (Beauty)
Other oriented		
- active	STATUS (Success, Impression, Management)	ETHICS (Justice, Virtue, Morality)
- reactive	ESTEEM (Reputation, Materialism, Possessions)	SPIRITUALITY (Faith, Ecstasy, Sacredness, Magic)



# Conceptual model of the tourist experience: Quan & Wang 2004

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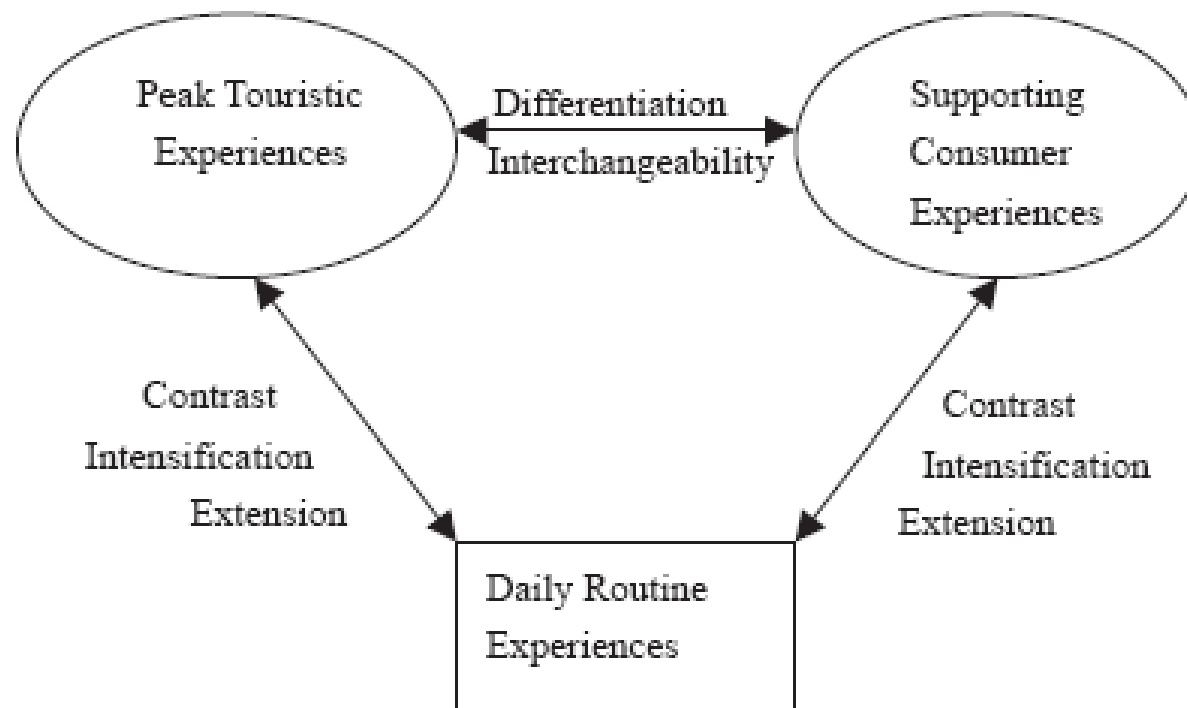


Fig. 1. The conceptual model of the tourist experience.

Towards a structural model of the tourist experience: an illustration  
from food experiences in tourism

Shuai Quan\*, Ning Wang



UNIVERSITY OF  
EASTERN FINLAND

# Motivation and destination choice (Pearce 2005)

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- ▶ Decision to travel to a certain destination is a result of
  - ▶ internal input of the traveler (personal characteristics and motives)
  - ▶ and external input of the destination (destination characteristics) (Pearce 2005)

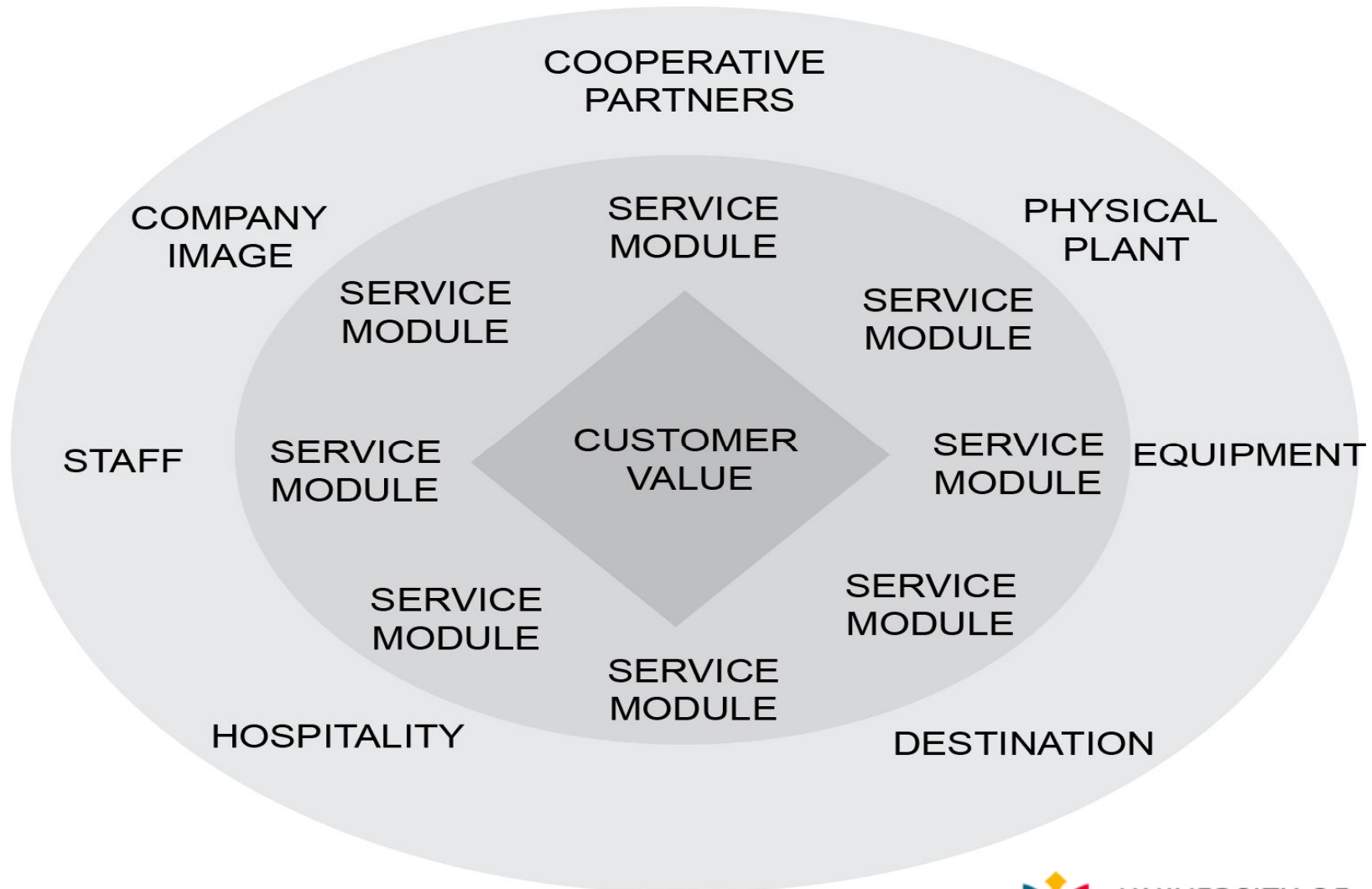
## Activities (Pearce 2005 cnt.)

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- ▶ Based on the input the traveler desires a set of activities which are a way to realize desired experiences
- ▶ Activities available in the destination affect the destination choice.
- ▶ Motivation → preferences of activities at the destination → experience → value

# A tourist experience/product

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# Delivering tourist experiences???

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- ▶ Because of the very subjective nature of an experience, service providers can not produce or deliver experiences, but offer (hopefully the best possible) Prerequisites for the customer-oriented experience product

# Communicating the offering

- a) Destination-level
- b) Tour operator-level
- c) Company level





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Haluamme tarjota asiakkaillemme aitoja elämyksiä. Luonnollisesti tärkeitä ovat kohdealueen kuuluisat nähtävyydet, mutta vähintäänkin yhtä tärkeää on alueen elintapoihin ja ihmisiin tutustuminen. Pääset kokemaan niin metropoliin kuin pikkukyläin jokapäiväistä elämänmenoa. Luontokohteissa näemme

# So....

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- ▶ Understanding the customer needs and wants helps the service provider to offer the *best possible prerequisites* for the customer-oriented tourist product
- ▶ By participating in customer processes the customer hopefully may experience the value proposed in the marketing communication of the tourist product.



# Experience Design

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- ▶ is about
  - ➔ designing and arranging the interaction between service provider and tourist with creative processes and methods
  - ➔ seeking to create value and innovation based on an understanding of the consumer experience and value
  - ➔ Communicating the value for the targeted customer groups



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**Thank you for  
your attention !!!!**



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