EXPERIENCES, CO-CREATION AND TECHNOLOGY: A CONCEPTUAL APPROACH TO ENHANCE TOURISM EXPERIENCES

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ABSTRACT

The notion of experiences constitutes an important concept in the context of travel and tourism. Tourism experiences are increasingly determined by experience co-creation and technology use. Considering the lack of literature addressing these changes, this paper has the aim to discuss the importance of co-creation and technology in the creation of enhanced experiences and higher value for the tourist. The paper contributes by conceptualising a four-quadrant Tourism Experience Value Matrix and by suggesting that with the increasing intensification of co-creation and technology-use, the value for the tourist can be maximised leading to enhanced tourism experiences. The paper conceptually differentiates between four major types of tourism experiences to provide a better understanding of their respective value progression and discusses its implications for tourism practice and research.

KEYWORDS: Tourism experiences, co-creation, value, information and communication technologies, tourism experience value matrix, value progression

INTRODUCTION

Tourists are increasingly in search of experiences by not only purchasing products and services but rather striving for the experience obtained by consuming products and services (Morgan, Lugosi & Ritchie, 2010). In the 1990s, Pine and Gilmore (1999) introduced the idea of the experience economy proposing that creating experiences is fundamental for any business, as simple product and service offers have become replicated and interchangeable (Morgan et al., 2010). Consequently the idea that companies need to deliver unique and memorable experiences to consumers has become an imperative over the past decade (Pine & Gilmore, 1999).

While the importance of experiences is unabated, two major changes have impacted on the tourism experience and challenged its current theoretical and practical understanding of how experiences and value are created. The experience economy is has been redefined as consumers are moving towards playing an active role in the co-creation of their own experiences (Prahalad & Ramaswamy, 2004). This idea has been fostered by Prahalad and Ramaswamy (2004) who argue that instead of consuming staged experiences, consumers now seek after more authenticity and expect a balance between the experience stage and their role as co-creators of experiences and value (Binkhorst, 2006; Ramaswamy & Gouillart, 2008). In addition, there is evidence that tourism experiences are not only co-created but increasingly technology-enabled (Tussyadiah & Fesenmaier, 2007; Tussyadiah & Fesenmaier, 2009; Tussyadiah & Zach, 2011). The recent advances in the field of information and communication technologies (ICTs) have consequential implications by changing the nature of tourism experiences fundamentally (Tussyadiah & Fesenmaier, 2007).
With increasing empowerment through technology, experience co-creation has been multiplied, richer experiences are created (Gretzel & Jamal, 2009) and higher value can be achieved. While tourism experiences have been discussed in relation to both co-creation (Binkhorst & Den Dekker, 2009) and technology (Tussyadiah & Fesenmaier, 2007), the combination of these elements with respect to the overall enhancement of experiences constitutes a major gap. The continuous enhancement and creation of innovative, compelling and valuable experiences is critical for business operating in the dynamic tourism industry. This paper therefore sets out to conceptually discuss how conventional tourism experiences can be enhanced in light of the recent advances in co-creation and technology.

For this purpose, this paper reviews the latest developments of co-creation and ICTs and then sheds light on their role in the enhancement of experiences and value. It then presents a Tourism Experience Value Matrix which conceptually differentiates between four types of tourism experiences, to provide a better understanding and clearer picture of value maximisation in the context of tourism experiences.

THE NOTION OF TOURISM EXPERIENCES

Experiences have always constituted an important concept in tourism research (Uriely, 2005). Since its recognition in the 1960s, the notion of experience has been numerously defined and associated with a multiplicity of meanings (Moscardo, 2009). Depending on the respective discipline, a myriad of experience definitions from anthropological, sociological or psychological perspectives have emerged and evolved over time (Caru & Cova, 2003). In the domain of marketing, consensus seems to view experiences as personal occurrences, which are highly emotional significant obtained by the consumption of products and services (Holbrook & Hirschman, 1982). In acknowledging their distinctiveness from everyday life experiences (Cohen, 1979), experiences in the specific context of tourism have been portrayed as the search for the authentic in contrast to the inauthentic everyday life (MacCannell, 1973).

Experiences represent a significant component in the life of the contemporary consumer and have been regarded as the key to the understanding of consumer behaviour (Addis & Holbrook, 2001), the fundamental basis in marketing (Holbrook & Hirschman, 1982) and the experience economy (Pine & Gilmore, 1999). Experiences became the focus of attention by the late 1990s with the emergence of the renowned notion of the experience economy (Pine & Gilmore, 1999). With increasing difficulty to create competitive offers (Prahalad & Ramaswamy, 2004), companies have been looking for ways to differentiate their products and services.

Designing and delivering experiences to consumers has been proposed as the answer to creating competitive advantage and added value (Grönnroos, 2000). In this vein, Pine and Gilmore (1999) proposed the concept of the progression of economic value, which demonstrates the transformation of commodities and goods into services, and conversion of services to experiences, determining the output offering the highest level of value to the consumer. With consumers paying a high price in exchange for high value, the strategic production of experiences has become a key concept in the field of marketing (Darmer & Sundbo, 2008).

VALUE THROUGH EXPERIENCE CO-CREATION

With the proliferation of the experience economy concept in practice, companies have reached a point where they need to look for ways to enhance and differentiate their experiences offered. Due to the power shift in company-consumer relationships taking place, the strategic staging of experiences has become increasingly criticised (Binkhorst & Den Dekker, 2009). As consumers have become more active and powerful, the traditional creation of experiences has undergone a transformation (Prahalad & Ramaswamy, 2004). The process of experience staging is perceived to be highly business-oriented, one-directed and superficial and thus no longer suitable to meet the needs of contemporary and empowered consumers (Boswijk, Thijsse & Peelen, 2007).
Consumer experiences have moved towards consumer centricity, whereby individuals play the main role in shaping the creation of their personal experiences and value (Prahalad & Ramaswamy, 2004). This shift has been primarily induced by the Internet as consumers are no longer passive but encouraged to lead how they participate and respond to information (King, 2002). Consumers ask for a balance between the company staging the experience and their role in co-creating the experience (Binkhorst, 2006; Ramaswamy & Gouillart, 2008). This movement has thus led to a shift in the distribution of roles between companies and the consumers. In experience co-creation, the individual human being is regarded as the new starting point of the experience (Binkhorst & Den Dekker, 2009). This development demonstrates that it is paramount for businesses to enter in a dialogue with consumers to co-create experiences and value together (Binkhorst & Den Dekker, 2009). "The personal meaning derived from the co-creation experience is what determines the value to the individual" (Prahalad & Ramaswamy, 2004, p.14). Consumers are constantly in search of experiences that are particularly valuable to them and co-creation has been proposed as a new means to offer a unique value proposition for consumers (Boswijk et al., 2007).

Through co-creation, companies enter a new paradigm of value creation which fosters growth, innovation and competitive advantage (Shaw, Bailey & Williams, 2011). Co-creation of value can occur anywhere throughout the service chain (van Limburg, 2012). With the availability of new tools this process is reinforced, as consumers are more involved in every part of the system to proactively co-create experiences and value in every step of the consumption (Prahalad & Ramaswamy, 2004). In this vein, information and communication play a particularly crucial role by facilitating co-creation (Prahalad & Ramaswamy, 2004) and mediating the overall tourism experience (Tussyadiah & Fesenmaier, 2007; Tussyadiah & Fesenmaier, 2009; Wang, Park & Fesenmaier, 2012).

VALUE THROUGH INFORMATION AND COMMUNICATION TECHNOLOGIES

The proliferation of information and communication technologies has caused a fundamental impact shaping not only society but the way many industries operate. The adoption of a range of ICTs and the Internet has induced a paradigm shift in the tourism industry, known as e-tourism (Buhalis & Jun, 2011). The travel and tourism industry has always gone hand in hand with the developments in the field of technology (Buhalis, 2003). This is because tourism, as a service-dominant sector, particularly benefits from the integration of technological innovations (Stamboulis & Skayannis, 2003), due to its high information need and intensity (Buhalis & Jun, 2011). As a result, over the past decades, technology has revolutionised the nature of the tourism industry (Buhalis & Law, 2008) and has changed business practices by redefining roles and scopes of all stakeholders involved in the tourism system (Buhalis & Jun, 2011).

The advent of the Internet, as a platform of interaction, has played a critical role in advancing tourism (Buhalis & Law, 2008; Schmallegger & Carson, 2008). A wide range of technologies have come into use in the different stages of travel, i.e. prior, during and post-stage of the tourism experience consumption (Cho, Wang & Fesenmaier, 2002; Green, 2002; Mossberg, 2003; Gretzel, Fesenmaier & O'Leary, 2006; Huang, Backman & Backman, 2010). Stamboulis and Skayannis (2003) highlight that the plethora of ICTs available has had a substantial effect on the creation and consumption of the tourism product.

For instance, Binkhorst and Den Dekker (2009) argue that technologies, such as the Internet, virtual communities or immersive virtual worlds have altered how tourism is experienced. The emergence of the Web 2.0 and social media has turned the Internet into a wide space of social networking and collaboration of users (Sigala, 2009). Unlike any other medium before, social media embrace different people, technologies, content and new practices that support consumers in gathering information, sharing and creating new experiences (Xiang & Gretzel, 2010). Social media have become one of the most critical tools for both tourism businesses to dynamically engage with consumers and tourists to
instantly re-create and share their experiences with others (McCarthy & Wright, 2004). As a result the social and interactive nature of ICTs, online spaces and user-generated content (Di Gangi & Wasko, 2009) facilitates the dual company-consumer co-creation of experiences and value on an unprecedented level.

At the same time, mobile technologies are critical in amplifying the use of these services for tourists on the move (Schmidt-Belz, Nick, Poslad & Zipf, 2002). Mobile devices have evolved to be transportable smart computers that can be accessed almost unlimited anywhere and anytime (Wang et al., 2012). With a plethora of ICTs available used by the tourist along every step of the tourism experience, new opportunities for a conjoint co-creation of experiences and value arise.

For instance, with the implementation of ICTs, the ways in which tourism experiences are delivered have become more and more differentiated (Sundbo & Hagedorn-Rasmussen, 2008). Moreover, Gretzel and Jamal (2009) predict that new types of technologies will generate a whole range of new tourism experiences. Technology functions as mediator of experiences and at the same time can become an experience itself (McCarthy & Wright, 2004). ICTs hence provide versatile instruments in the enhancement or creation of new types of tourism experiences. Literature confirms the benefit of embracing ICTs as an enhancer of conventional tourism experiences, which multiplies co-creation experiences (Prahalad & Ramaswamy, 2004), generates richer experiences (Tussyadiah & Fesenmaier, 2007) and yields more personalised experiences (Niininen, Buhalis & March, 2007; Sandström, Edvardsson, Kristensson & Magnusson, 2008). Taking these developments into account, it is without a doubt that ICTs have a significant impact on the nature of tourism experiences (Crouch & Desфорges, 2003; Stamboulis & Skayannis, 2003; Tussyadiah & Fesenmaier, 2007; Tussyadiah & Fesenmaier, 2009). The critical question to raise is how to use the potential of both co-creation and ICTs in generating meaningful experiences and value.

THE ENHANCEMENT OF TOURISM EXPERIENCES

Beyond traditional experience co-creation, technologies will be critical to create enhanced tourism experiences (van Limburg, 2012). Technologies, in particular the Internet, have rendered individuals more empowered in their search for experiences and extraordinary value (Buhalis & Law, 2008). By taking advantage of the number of ICTs available, tourists have transformed into connected consumers striving after valuable technology enhanced experiences (Prahalad & Ramaswamy, 2004; Gretzel et al., 2006; Andersson, 2007; Günther & Hopfinger, 2009; Tsiotsou & Ratten, 2010). As a result, this paper suggests that the recent technological advancements provide unexploited opportunities for the travel and tourism industry to enhance and add value to co-creation experiences.

By embracing ICTs, tourism organisations are able to create enhanced experiences with tourist throughout their journey from early inspiration to the on-site travel experience and post travel recollection in the online world. Binkhorst and Den Dekker (2009) underline the role of ICTs as a major element in the co-creation of tourism experiences by allowing companies and tourists to engage through multiple platforms. These include technologies in all travel stages, for instance, websites, mobile devices, portable city guides, travel guides, virtual life environments or enhanced hotel rooms.

The pre-travel and post-travel stages, as socially intense phases (Gretzel & Jamal, 2009), are predestined for the integration of ICTs to foster interaction, engagement and co-creation among tourism providers, tourists and other tourism consumers alike. Technological solutions such as virtual reality systems are particularly useful in fostering a virtual engagement and enabling the tourist to pre- and post-experience the tourism product online (Huang et al., 2010). In order to enhance tourism experiences, it will be crucial for businesses to extend their sphere of activity to the virtual space to intensify engagement, extend experience co-creation and offer a higher value proposition to the tourist in the online world.
While being immersed in the tourism destination, mobile technologies provide key instruments in enhancing the movement through the physical tourism space. Location based services as well as context-based services play an increasingly important role for tourism (Beer et al., 2007, Grün et al., 2008). These services offer instant access to information, videos or recommendation sites, relevant to the current location, which is crucial for both tourism providers and consumers to connect, exchange and engage through these services on-site (Green, 2002). While being connected to social media applications, such as Facebook, Twitter or Foursquare, tourists can interact in an instant in exchanging and sharing their experiences, photos and social activities during the trip online (Wang et al., 2012). The tourism experience becomes an almost real-time shared adventure that is co-constructed with the connected social network of tourism providers, friends, followers and other tourists online. Mobile technologies constitute the key in taking the social dimension of the Web 2.0 and social media to a mobile, ubiquitous level to allow for experiences to be enhanced, intensified and co-created anywhere and anytime.

With the increasing the competition and emulation of experiences, travel and tourism businesses need to explore opportunities to dynamically create enhanced tourism experiences. The continuous increase of the value proposition offered to the tourist constitutes the utmost priority in experience creation. In light of the latest advancements in co-creation and technology, this paper suggests the need to develop a value progression that takes these factors into account. To provide a better understanding for tourism businesses on how to strategically enhance experiences and value, a Tourism Experience Value Matrix has been developed, in Figure 1. This model depicts progressing value driven by two axes of increasing intensity of co-creation and intensity of technology. Resulting from the gradual intensification of both axes, this model conceptually differentiates between four major types of tourism experiences, including:

1) conventional tourism experience, 2) co-creation tourism experience, 3) technology tourism experience and 4) fully technology-enhanced tourism experience, which are discussed in detail below.

![Figure 1: Tourism Experience Value Matrix](image-url)
Conventional Tourism Experience

Conventional tourism experiences determine experiences as originally suggested in the experience economy by Pine and Gilmore in the 1990s. This type of experience is characterised by a company-centric approach of creating a pre-fabricated experience and delivering it to a mainly passive tourist consumer. Accordingly, the consumer’s level of involvement, interaction and participation in the creation and production of the experience is relatively low and only occurs at the final consumption stage of the experience. In this particular type of experience, technology does not constitute an integral part, neither in the production nor in the consumption of the experience. This type of experience, so scholars of the experience economy argue, generates higher value for the tourists compared to products and services. While this may be true for a comparison to services, in light of the theoretical and practical advancements in the realm of experiences, it appears that this type of staged, conventional experience generates the least value for tourist consumers.

Co-Creation Tourism Experience

Co-creation tourism experiences can be considered as experiences that are not only passively staged but rather actively shaped and created by the tourist consumer in conjunction with the company. With the increasing intensification of co-creation, the tourism experience becomes more consumer-oriented and interactive resulting in a higher level of value being obtained. However, in the current understanding of co-creation experiences, as defined in literature (Prahalad & Ramaswamy, 2004; Boswijk et al., 2007; Ramaswamy & Gouillart, 2008; Binkhorst & Den Dekker, 2009; Ramaswamy, 2009; 2011), co-creation lacks in the integration of technology. Without implementing ICTs, co-creation is restricted to interactions and engagement in the real world and offline spaces. This provides evidence for a restriction of interactions and engagement in the real world and offline spaces only. Considering the unexploited potential inherent in technology, it can be argued that co-creation would benefit from integrating ICTs. It could be extended to virtual spaces to co-create in pre- and post-travel phases online, intensify the timeframe of the tourist engagement and add value to the overall experience. Van Limburg (2012) underscores that the co-creation environment must be open for the potential brought by emerging ICTs, through which competitiveness by co-creation of value can be achieved (Shaw et al., 2011).

Technology Tourism Experience

Technology tourism experiences can be regarded as third experience type depicted in the matrix above. This type of experience is determined by a high level of technology use, which due to the low level of consumer involvement remains predominantly company-centric. Technologies are adopted for the company-internal facilitation of delivering tourism experiences. This kind of experience was mostly prevalent before the era of the Web 2.0 and social media. For instance, Web 1.0 non-interactive websites, distribution systems, reservations systems among a wide range of technological applications (Buhalis & Jun, 2011), had a massive impact on facilitating and improving the delivery of the tourism experience, while not allowing for tourists to interact, participate or co-create. Accordingly, the associated level of value is moderate due to a lack of involvement and possibilities of active co-creation of experiences on the part of the tourist.

Fully Technology-Enhanced Tourism Experience

In light of the recent developments and existing shortcomings of experiences as highlighted above, this paper suggests that the ultimate goal is to create experiences that maximise the potential offered by both elements co-creation and technology. Considering that staged experiences generate high value for consumers (Pine and Gilmore, 1999) and co-creation yields even higher value for consumers (Binkhorst & Den Dekker, 2009), this effect is intensified when the potential of technology unfolds. This paper therefore proposes that by concurrently increasing the intensity of co-creation and the
intensity of technology, the highest value proposition for tourists can be achieved. As a result, this study thus puts forward the term Fully Technology-Enhanced Tourism Experience, as the ultimate and most desirable type of experience generating the highest level of value. In reflecting the social, interactive dimension of co-creation and the integration of technology, this experience is realised when a tourist is highly involved, actively participating and co-creating by using various ICTs to empower this very process. This experience can be considered as the most differentiated and valuable type of contemporary experiences. Scholars confirm the postulated positive progression of value, as the implementation of ICTs enhances experiences (Arnold & Geser, 2008), provides more satisfaction due to access and availability of services (Law, Leung & Buhalis, 2009) and creates more meaningful interrelations between the consumer and the experience environment (Binkhorst & Den Dekker, 2009). ICTs therefore need to be considered as the key instrument for travel and tourism businesses in enhancing experiences and co-creation and adding value for and with the tourist consumer.

CONCLUSIONS AND IMPLICATIONS

This conceptual paper has provided a discussion of the notion of enhancing tourism experiences. The review of literature indicated that recently, tourism experiences have not only been co-created but are also increasingly technology enabled. In light of the lack of studies discussing the enhancement of tourism experiences, this paper has set out to assess the role of both co-creation and technology in the creation of contemporary tourism experiences and added value. The main contribution of this paper is the development of a four-quadrant Tourism Experience Value Matrix, which suggests the need to maximise value by increasing the intensity of both co-creation and technology use at the same time. This model, by differentiating between four major types of tourism experiences, provides critical implications for the creation and management of tourism experiences for theory and practice.

For travel and tourism organisations, it is paramount to identify what particular type of tourism experience they are currently creating and what measures can be adopted to enhance experiences by intensifying co-creation or technology use respectively. As the most valuable tourism experience of the present and future is the one that offers both a maximum level of co-creation and technology contemporaneously, the matrix provides a useful tool for analysis to pinpoint unexplored potential for the enhancement of experiences. In terms of theory, this study is in line with the need for further experience research by developing a four-quadrant experience matrix that reflects the recent theoretical developments, conceptually advances the notion of value progression and provides a better understanding in differentiating tourism experience types. Future research is therefore needed to build upon this conceptual approach and employ the Tourism Experience Value Matrix empirically. In adopting the matrix as an instrument, future studies could analyse tourism businesses in terms of their respective value propositions offered and types of experiences created. Beyond the travel, tourism and hospitality industry, a more elaborated understanding of how to enhance experiences could benefit any experience-intensive sector interested on the realisation of contemporary, innovative and competitive experiences.

REFERENCES


