



Dimensions and outcomes of experience quality in tourism: The case of Port wine cellars



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ABSTRACT

Ever since the notion that consumption has an experiential dimension, experience and its impact on business is receiving increased attention. Therefore, understanding experience quality, its drivers and outcomes becomes crucial, especially when experiences are the core of the service offering such as in tourism. However, research on tourism experiences remains sparse and largely conceptual. We develop a higher-order model of experience quality, validated in the wine tourism industry, outlining relevant dimensions and outcomes. Results support the six-dimensional structure of experience quality and its impact on loyalty, satisfaction and word-of-mouth. Overall, we validate a holistic multi-dimensional measure of experience quality and examine key nomological relationships, with important implications for tourism managers.

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1. Introduction

In this fast growing experience economy, customers are seeking more variety and customisation than they used to in the past (McColl-Kennedy et al., 2015). Ever since the notion that consumption has an experiential dimension, there is a growing recognition that customers are in search of compelling co-created experiences, with both utilitarian and hedonic components (Sandstrom et al., 2008), involving them emotionally, physically and intellectually (Walls, 2013). Though for years consumer research has assumed a highly rational model of buying behaviour (Hosany and Whitam, 2010), in recent years cognitive models alone were considered inadequate in explaining consumption, which includes both rational and emotional assessments (Klaus and Maklan, 2012). Following the seminal work of Holbrook and Hirschman (1982) and Pine and Gilmore (1998) set out the concept of experience economy as a new era. The authors argue that, since services and goods are becoming increasingly commoditized, businesses should provide meaningful experiences to their customers in order to add value to their offerings (Berry et al., 2002). Much like a theatrical play, experiences occur when a company “intentionally uses services as the stage and the goods as props” in order to create a memorable event (Pine and Gilmore, 1998, p. 98).

Prahalad and Ramaswamy (2004) made an important shift from conceptualizing experiences as focused on the firm, to the

co-creation of experiences through interaction (Akaka et al., 2015). As such, customers can also co-create their own unique experience, becoming an essential part of companies' offerings (Poulsson and Kale, 2004) as co-producers (Walls et al., 2011) and operant resources (Vargo and Lusch, 2006) beyond the staging or orchestration of experiences. Accordingly, companies do not sell (or stage) experiences, but rather provide a basic platform which consumers can use to obtain their own unique experiences (Gentile et al., 2007; Walls, 2013). Recently, consumer experience has been defined as a multidimensional evaluation, where different factors contribute to form a “holistic” view (e.g. Schmitt, 1999; Gentile et al., 2007; Kim et al., 2011), although these dimensions may be difficult to isolate, expensive to orchestrate and beyond the company's control (Tynan and McKechnie, 2009). Besides the multidimensional nature of experience, research also confirms that it can lead to managerial outcomes of interest (Martin et al., 2015). Reflecting the increasing importance of the topic, the Marketing Science Institute highlighted customer experience as a tier-one research priority for 2014–2016 (MSI, 2014).

But in spite of these developments, much of the academic research on customer experiences remains sparse and scattered in a range of research fields (Gentile et al., 2007; Oh et al., 2007; Hosany and Whitam, 2010; Jakkola et al., 2015; McColl-Kennedy et al., 2015). A major limitation has been the lack of academic research on the measurement of customer experience and its underlying dimensions (Carù and Cova, 2003; Hosany and Whitam, 2010; Klaus and Maklan, 2012), which have not yet been extracted, only assumed (Kim et al., 2011). In fact, experience is a

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far broader and less delimited concept than product or service quality. This is particularly true in contexts where experiences are the core of the product or service such as in tourism (Yuan and Wu, 2008), where a holistic approach is missing (Quadri-Felitti and Fiore, 2012).

Based on existing models in the literature, the purpose of this study is to validate a higher-order model of experience quality, applied to the tourism industry and using the customer's perspective, and its impact on marketing outcomes. We offer two theoretical contributions to the literature on experiences. First, we empirically examine the validity of a six-dimensional model of experience quality, adopting a holistic perspective of the concept. Secondly, we empirically investigate the influence of experience quality on customer's satisfaction, loyalty intention and advocacy, thus assessing the nomological validity of the construct. The empirical context chosen for the study is the wine tourism industry, namely Port wine cellars, a setting chosen for its highly, yet under-researched, experiential nature. Hedonic services, such as tourism and wineries, are good examples of experiences that are able to generate emotional and experiential reactions (Slatten et al., 2009). Wineries are authentic places (Hall and Mitchell, 2008) with physical characteristics that define an atmosphere favourable to the enhancement of the visitors' experience (Alonso and Ogle, 2008). While visiting a winery, tourists seek for a relationship with the place and want to know more not only about the wine itself, but also about the region and the people (Hall and Mitchell, 2008). During the winery tour, visitors have the chance to interact with the winery staff, with other consumers, and with the ambiance of the winery (Alant and Bruwer, 2004), creating a holistic consumer experience that can largely exceed mere wine-tasting (Mitchell and Hall, 2004). However, academic research on the conceptualisation and measurement of co-created tourism experiences remains sparse (Binkhorst and Dekker, 2009; Manthiou et al., 2014) and, in particular, very few studies (e.g. Carmichael, 2005) attempt to empirically validate it in wine tourism (O'Neill and Charters, 2000), so far limited to wine products and routes (Pikkemaat et al., 2009).

The paper begins by presenting the literature review relevant to this study, followed by the development of research hypotheses. Then we report the main results of a cross-sectional survey designed to examine how visitors of Port wine cellars evaluate experience quality and their future intentions. Finally, we conclude the paper by presenting final conclusions, contributions and suggestions for future research.

2. The concept of experience and experience quality

In past years, customer experience has been a key concept in service research and management, including fields such as services marketing, innovation and retailing (Jakkola et al., 2015). The advent of the "experience economy" brought along a research stream dedicated to the understanding of customer experiences (e.g. Carù and Cova, 2003; Poulsson and Kale, 2004; Gentile et al., 2007; Verhoef et al., 2009). The concept suggests that experience is a form of economic offering that creates a competitive advantage, which is difficult to be imitated and replaced (Manthiou et al., 2014). As a result, numerous authors have underlined the relevance of creating 'extraordinary' customer experiences as a strategy to create value, to give companies a sustainable competitive advantage and to foster customers' satisfaction, loyalty and positive word-of-mouth (e.g. Pine and Gilmore, 1998; Berry et al., 2002; Shaw and Ivens, 2005; Backstrom and Johansson, 2006; Naylor et al., 2008; Bolton et al., 2014).

Described as the core of the service offering and as the basis of all business (Lusch and Vargo, 2006), the experience phenomenon

has been referred to, often interchangeably, as consumption experience (Bolton et al., 2014), customer experience (Palmer, 2010), and service experience (Helkkula, 2011). The concept of service experience, or experience in a service setting, is an old, but relatively underdeveloped concept in the literature (Dube and Helkkula, 2015). Researchers approach customer experience according to different, but complementary, perspectives (Helkkula, 2011): as a process (focusing on the architectural and time element of the experience); as an antecedent to various outputs (such as satisfaction and repurchase intentions); or as a phenomenon (specific to an individual in a specific context). The phenomenological and holistic approach shifted the focus from the production of outcomes to how they are uniquely and contextually experienced by the individual (Vargo and Lusch, 2004). Experiences have been recognized within Service-Dominant (SD) logic as a key dimension in the value co-creation process, since "there is no value until an offering is used", and thus "experience and perception are essential to value determination" (Vargo and Lusch, 2006, p. 44). Thus, value is no longer embedded in tangible offers, but is co-created with customers and other actors in interactive experiences (Vargo and Lusch, 2004; Helkkula et al., 2012). Accordingly, contemporary thought promotes the idea that experiences are not solely delivered by organizations for customers, but are mainly a function of the personal and subjective value perceived by the actors involved (Helkkula et al., 2012). As a result, the interactive, co-created aspect of customer experience has become a topical issue (Jakkola et al., 2015).

The research perspective has thus evolved from studying 'extraordinary' experiences toward studying experience as a collective, co-created phenomenon, moving away from a dyadic firm-customer perspective (Frow et al., 2014; Jakkola et al., 2015). Broadly speaking, experience originates from a set of complex interactions between the customer and other actors, including a company or a company's offerings (Carù and Cova, 2003), shaped by their characteristics and influenced by the environment in which the interaction takes place (Walls et al., 2011). In recent research, experiences are seen as omnipresent and as a core element in the emergence of experiential value (Dube and Helkkula, 2015).

As experiences are replacing quality as the "competitive battleground for marketing" (Klaus and Maklan, 2013, p. 227), understanding experience quality and its dimensions becomes crucial. However, very few studies have investigated customers' perceptions of experience quality (Chang and Horng, 2010) or identified and measured its dimensions (Kim et al., 2011); so far, researchers have mainly studied perceived service quality and customer satisfaction (Olsson et al., 2012). In fact, investigations on experience quality have not caught much attention: customer experience has not been analysed as a separate construct nor has it been explored in a theoretical perspective (Verhoef et al., 2009); instead, it has been integrated with service quality studies (Kim et al., 2011).

However, service quality and its most popular measure, SERVQUAL (Parasuraman et al., 1988), are too limited to fully capture customer experience quality (Maklan and Klaus, 2011). In fact, the two assessments are conceptually distinct: service quality is essentially a cognitive and transaction-related evaluation, whereas customers tend to subjectively and emotionally evaluate the experience quality (Chang and Horng, 2010). Customer experience goes beyond service (Klaus and Maklan, 2012) and the contemporary consumer demands more than just competent service, seeking experiences which are emotionally "engaging, robust, compelling and memorable" (Gilmore and Pine, 2002, p. 10). Also, current measures evaluate characteristics of the offering, but not the actual customer experience (Palmer, 2010). Service quality reflects traditional concepts according to which value is embedded

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