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# Journal of Destination Marketing & Management

journal homepage: [www.elsevier.com/locate/jdmm](http://www.elsevier.com/locate/jdmm)

## Research Paper

# Conceptualising technology enhanced destination experiences

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### ARTICLE INFO

#### Article history:

Received 9 May 2012

Accepted 14 August 2012

Available online 18 October 2012

#### Keywords:

Destination  
Marketing  
Experience  
Co-creation  
Information and communication  
technologies

### ABSTRACT

The notion of creating rich and memorable experiences for consumers constitutes a prevalent concept in the tourism industry. With the proliferation of destination choices and increasing competition, it has become critical for destinations to find innovative ways to differentiate their products and create experiences that provide distinct value for the tourist. However, currently two major paradigm shifts are drastically changing the nature of experiences, the understanding of which is crucial for destinations to create successful experiences in the future. Experiences are transforming as (a) consumers now play an active part in co-creating their own experiences and (b) technology is increasingly mediating experiences. Despite the amount of literature recognising the impact of technology on experiences, a holistic conceptualisation of this change is missing. This paper thus raises the need to conflate the two-fold paradigm shift and calls for new reflections on the creation of experiences. The aim is to explore technology as a source of innovation to co-create enhanced destination experiences. The paper contributes on three levels: by introducing and conceptualising a new experience creation paradigm entitled *Technology Enhanced Destination Experiences*, by proposing an extended destination experience co-creation space in the pre/during/post phases of travel and by discussing managerial implications of this development for the future creation and management of experiences in a destination context.

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## 1. Introduction

Destinations are considered as the core of the travel and tourism industry (Fyall & Leask, 2007). A destination constitutes an amalgam of tourism products and services, which conjointly provide an integrated experience to tourist consumers and form an entity under the umbrella of a destination (Buhalis, 2000). They are also portrayed as a unit of action (Saraniemi & Kylänen, 2011) in which different individuals, stakeholders, and parties involved collaboratively deliver the destination product (Fyall, Garrod & Tosun, 2006). Due to their complexity and multi-elemental structure, destination marketing and management constitute a challenging endeavour (Buhalis, 2000), as destinations are one of the most difficult products to manage and market (Fyall & Leask, 2007). As the tourism industry is becoming increasingly competitive, destinations seek ways to advance their market position and sustainability (Ritchie & Crouch, 2003). It is expected that even more challenges for destination marketing and management will emerge in the coming decade. Destination

marketing organisations (DMOs) play a key role in the marketing of a tourism destination (Blain, Levy & Ritchie, 2005). With a magnitude of tourism locations and attractions on offer, all organised to target tourist consumers, DMOs are faced with intensified competition (Stamboulis & Skayannis, 2003). Therefore, Hudson and Ritchie (2009) suggest that differentiation is key, as the tangible and intangible attributes of a destination, such as scenery, attractions, heritage and local people are no longer sufficient to distinguish from destinations competing with similar assets. Hence, with the proliferation of destination choices (Buhalis, 2000), DMOs need to find means to differentiate themselves, attract consumers and offer distinct value.

In this regard, Morgan, Elbe and de Esteban Curiel (2009) emphasise the importance of the experience economy concept within the marketing and management of destinations. Experiences have been utilised as a popular construct in destination positioning (Oh, Fiore & Jeoung, 2007). In a market where global competition has turned products and services into commodities, competitive advantage could only be gained by reducing the substitutability of offers (Hudson & Ritchie, 2009) and providing consumers with unique and memorable experiences (Morgan, Lugosi & Ritchie, 2010). However, with the growth of the experience economy, Pine and Gilmore (1999) emphasise that only those providing compelling and rich experiences will be able

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to remain in the market. Destinations have to find innovative ways to create desirable experiences for the tourist (Morgan et al., 2009). One critical way for destinations to do so is to understand the latest developments and changes in the area of experience creation.

Two major paradigm shifts have been challenging the current understanding of the tourism experience. First, the traditional experience economy has been increasingly replaced by the notion of experience co-creation, which recognises active consumers co-creating their experiences in a quest for personal growth and value (Pralhad & Ramaswamy, 2004a). Second, more recently, there has been evidence that tourism experiences are not only co-created but increasingly technology-mediated (Tussyadiah & Fesenmaier, 2009). This enables tourists to create richer experiences (Gretzel & Jamal, 2009) and empowers them to co-create their own experiences (Pralhad & Ramaswamy, 2004a). With the dynamics of empowered consumers and proliferating technologies, traditional roles, structures and processes in experience creation have changed. Nevertheless, existing literature seems to have insufficiently addressed these changes and scholars testify a major gap in the understanding of the role of technology inherent in the tourism experience (Beeton, Bowen & Santos, 2006; Tussyadiah & Fesenmaier, 2007). This paper thus raises the need to combine this two-fold paradigm shift and calls for new reflections on the creation and management of experiences in a destination context, which are determined by

1. A shift from passively consuming to actively engaged tourists co-creating their own experiences.
2. A shift towards using technology to co-create enhanced experiences with tourist consumers.

To this end, the paper aims to contribute by exploring the transformational impact of technology on experience co-creation and developing a holistic conceptualisation of a new destination experience concept entitled *Technology Enhanced Destination Experiences*. The paper first discusses the evolution in the experience economy, from the staging of experiences for the consumer to co-creating experiences with the consumer. Second, a review of the dynamic advances of technology in the tourism experience will provide new insights into understanding the role information and communication technologies play in the co-creation of experiences. The paper concludes by presenting the integrated concept of Technology Enhanced Destination Experiences and discussing managerial implications of this development for the future creation and management of experiences in a destination context.

## 2. Theoretical background

### 2.1. Tourism experience economy

Experiences have always constituted an important notion in both research and practice (Uriely, 2005). This has been reflected in the great body of literature (MacCannell, 1973; Csikszentmihalyi, 1975; Cohen, 1979; Mannell & Iso-Ahola, 1987; Ryan, 1997), which established the theoretical context of the experience concept. The term experience, originally noted in the 1960s, covers a multiplicity of definitions (Moscardo, 2009). Traditionally, experience has been defined as a personal occurrence with highly emotional significance obtained from the consumption of products and services (Holbrook & Hirschman, 1982). In the specific context of tourism, early conceptual delimitations of tourism experiences postulated the need for differentiation due to their distinctiveness from mundane, everyday life experiences (MacCannell, 1973;

Turner & Ash, 1975; Cohen, 1979). Drawing from an abundance of definitional attempts, the tourism experience can be defined, for instance, as a sensation resulting from interaction (Gupta & Vajic, 2000), as an outcome of participation within a social context (Lewis & Chambers, 2000), or the moment of value creation when tourism production and consumption meet (Andersson, 2007). Thereby, the individual, emotional, physical, intellectual and spiritual engagement in the experience (Mossberg, 2007) is significant enough to be translated into long-term memory (Larsen, 2007).

Despite the fact that there exists a plethora of definitions in numerous scientific fields (Walls, Okumus, Wang & Kwun, 2011), a general consensus in literature is lacking and the exact definition of an experience remains elusive (Jennings et al., 2009). Nonetheless, common agreement exists that the experience concept is key to understanding consumer behaviour (Addis & Holbrook, 2001) and represents a fundamental concept in marketing (Holbrook & Hirschman, 1982) and the experience economy (Pine & Gilmore, 1999). At the beginning of the 21st century, tourism experiences have received renewed attention which is manifested in state-of-the-art literature (Cutler & Carmichael, 2010; Gouthro, 2010; Morgan et al., 2010; Sharpley & Stone, 2010; Kim, Ritchie & McCormick, 2011; Tung & Ritchie, 2011), attesting the perpetual interest in and unabated relevance of the tourism experience concept (Quan & Wang, 2004; Morgan et al., 2010).

Society has undergone a profound shift over the past decades, as people have abandoned the idea of buying products and services but rather seek to buy experiences gained from the consumption of products and services (Morgan et al., 2010). At the turn of the 21st century, this shift has led to the contemporaneous emergence of various notions, labelled as the dream society (Jensen, 1999), the entertainment economy (Wolf, 1999), the experience economy (Pine & Gilmore, 1999), and creative tourism (Richards & Raymond, 2000). Pine and Gilmore (1999) with their seminal contribution shaped the prevailing term “experience economy”. The managerial interest in the experience economy was particularly triggered by the importance of delivering experiences, as conventional products and services have become replicated, interchangeable, and commoditised (Morgan et al., 2010). In the present market, characterised by increasing globalisation, deregulation and convergence of industries and technologies, companies have been attempting to differentiate their offers (Binkhorst & Den Dekker, 2009). The idea of providing consumers with compelling experiences (Pine & Gilmore, 1999) and thereby creating added value for them (Grönroos, 2000), was proposed as the key to competitive advantage and success.

Pine and Gilmore (1999) conceptualised the progression of economic value, depicting the transformation from the production of commodities and goods, provision of services to the staging of experiences. Experiences represent the ultimate objective in the ladder: while commodities are fungible, goods tangible and services intangible, experiences are memorable. The progression of value is to stage experiences, whereby ‘staging experiences is not about entertaining customers; it’s about engaging them’ (Pine & Gilmore, 1999, p. 30). Therefore, marketers need to create staged events that engage individuals in a personal and memorable way (Arnould, Price & Zinkhan, 2002). As a result, Pine and Gilmore (1999) emphasised that companies do not compete in terms of market price but rather in terms of the distinctive value of an experience provided. With consumers striving for high value and their willingness to pay a high price for obtaining great value, the strategic production of experiences has become a worthwhile concept for businesses (Darmer & Sundbo, 2008).

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