

**CO-CREATING CUSTOMER VALUE THROUGH SERVICE EXPERIENCES:  
AN EMPIRICAL STUDY IN THE HOTEL INDUSTRY**

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**Keywords:** Customer value, service experience, relationship, hotel.

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## INTRODUCTION

**Tourism** is essentially a service industry or, perhaps more accurately, an amalgam of service industries. Consequently, its management practices are typically concerned with such issues as quality and productivity as they fall within the field of services marketing. While these concerns are critical, they may only be telling part of the management story. The other side of the story is the '*psychological environment*'; that is, the subjective personal reactions and feelings experienced by consumers when they consume a service. This phenomenon has been termed the **service experience** and has recently been found to be an important part of consumer evaluation of and satisfaction with services.

With this in mind, what are the keys to achieve excellent customer service experiences? Service marketing literature has initially focused on service quality, and service value creation recently (Martín et al., 2008). However, customers evaluate their experiences – and build their service relationships – taking into account not only the attributes of the service, but also the outcomes and consequences that those attributes cause on them.

According to the '*means-end theory*', the components of a service experience are hierarchical in nature (Orsingher & Marzocchi, 2003), starting at the attribute level (i.e. employee's kindness), the outcome of such attributes (i.e. the pleasuring sense of being taken care of), and finally reaching abstract values (i.e., the search of happiness through gratifying experiences).

Therefore, 'focusing only on the objective, technical aspects of tourism services leaves untapped a crucial resource; that is, the ability to understand and manage **the true nature of consumer satisfaction** as it occurs in the context of service delivery. In fact, research has shown that affective or emotion-based reports, which we argue form the basis of the **quality of the service experience**, contribute a significant, but often ignored, portion of explained variance in satisfaction evaluations'.

Thus, our main research objective is to identify the three levels of a service evaluation: attributes (service value), outcome (service experience), and values (developing service relationships). We speculate that at the beginning of the interaction process with a service provider, customers emphasize the attributes of the services (service value components). As customers accumulate services experiences, it is the outcome of such experiences what becomes salient in the service provider evaluation process. Finally, we believe that personal values are involved in the intention to develop a lasting relationship with the service provider, since these relationships somehow reflect the customer's self-concept and aspirations.

## **METHODS AND MATERIALS**

### **Industry selection**

We acknowledge that the motivations to develop a service relationship can also depend on the functional or hedonic nature of service. In any case, even when **tourism sectors** have a clear functional component to them, as do accommodation and transportation services, experiential benefits will remain a critical part of the process evaluation. The intimate, hands-on nature of the service encounter itself affords many opportunities for affective responses. For instance, experiencing the beauty of mountain resort clearly produce psychological benefits which goes beyond the need "to sleep somewhere".

Therefore, the scope of this study has been initially limited to hotels – ranging from three-star to five-star category – in a major touristic region in the south of Spain. We have identified a database of 262 hotels in the region fulfilling these requirements, which have been personally contacted by a professional interviewing company in order to get their participation in the empirical study.

### **Data collection & Measurement tools**

Our objective is to get information from, at least, 30 customers of each participating hotel. Each customer has been personally surveyed following a structured questionnaire. The survey starts by collecting information regarding: lodging ¿? (accommodation, breakfast, half-board, full-board, etc.), length of the stay, trip motivation (leisure, business, family), customer type (first-time, returning), loyalty program participation, rate per night, frequency of travelling, members in the travelling group, amount of money spent in the hotel.

Next, we have developed from literature (Martín et al. 2008; Brady & Cronin, 2001; Akbaba, 2006; Seiders et al., 2007; Martín & Rondán, 2008) a 30-item battery to capture the service value components (service quality, service convenience, service equity, price fairness), a 16-item battery to capture the service experience (Otto & Ritchie, 1996; Orsingher & Marzocchi, 2003), and finally, a 4-item battery to estimate the customer's intention to develop a relationship (Zeithaml, Parasuraman, & Berry, 1996). All items are worded in a 7-degree Likert-type sentence, and have been adapted to the context of the study.

Finally, customer's demographics and psychographics (involvement, exploring behavior) are also collected for segmentation purposes.

### **Overview of analytical processes**

Scale psychometric properties will be tested by a confirmatory factor analysis, identifying higher-order constructs with formative/reflective dimensions. Then, a model is built in order to test the proposed hypotheses through structural equation modeling. Latent clustering may be conducted for multi-group analysis of customers.

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