

DESIGNING CUSTOMER EXPERIENCES: A NEW LOGIC FOR TOURISM INDUSTRY**Majid Hussain Qadri*****ABSTRACT**

The present paper synthesizes the latest discussion on the emerging paradigm for tourism industry. Three alternative marketing perspectives for the tourism marketing are discussed: experience economy, service dominant logic, and paradigm shift. Additionally, their relevance to the field of tourism marketing is highlighted holistically. The paper explores the application and incorporation of service dominant logic, experience economy within a research paradigm in tourism scholarship and practice. The need for new paradigm thinking is emphasised for the tourism industry. The research intends to present and generate a theoretical holistic view of tourism marketing from these lenses.

Key words: Tourism Industry, Service-Dominant Logic, Experience Economy, Co-Creation

Introduction

The state of Jammu and Kashmir is being hailed as tourist destination after a long chasm of. It is high and opportunity time to strategize the tourism policy on the bases of transformational logics and paradigm. development of experience economy can be thought out as a panacea as the state tourism industry is being developed from scratch. The re-engineering of the tourism sector can be transformational for the state economy if done in the right direction under the guiding principles of ‘experience economy’. Commoditised goods and services are no longer enough to foster economic growth, create desperately needed new jobs, and maintain economic prosperity. It is high time to devise policy for a sector that has a multiplier effect growth potential within the guiding economic principles of inclusiveness, justice and equity. To realise revenue, growth and employment, the ‘experiences economy’ must be pursued as a distinct form of economic activity. It is high time to transform the state economy towards the inclusive paradigm of tourism industry by promoting the new landscape for the state economy. In the present paper the above theme will be dealt in detail within the frameworks of tourism, marketing, experience economy, service economy, and dominant logic towards the development of holistic paradigm for the tourism industry. The general aim is to introduce importance and relevance of service dominant logic, experience economy and paradigm shift for re-engineering of tourism industry. The ‘experience economy’ provides very useful perspective, especially as it serves to propel further study into the nature of engaging experiences. The experience economy needs a strong theoretical ontological and epistemological underpinning that we believe will be provided by the service-dominant logic. Thus, combining the diverse conceptual frameworks of ‘experience economy’ and ‘service-dominant logic’ will lay the foundation for the holistic understanding and development of tourism industry and will have strategic public policy implications. Finally, the implications of these new marketing conceptualizations on tourism research, practices, and teaching are discussed, and it is concluded that the present tourism marketing research could be improved by putting more emphasis on conceptual thinking and out of box research.

Tourism is a cross disciplinary study of tourism and marketing studies. In its earlier growth, tourism marketing researchers actively absorbed knowledge and information from both fields. However, the past decade witnessed an increasing tendency of “internal growth” (Xiao 2004;Grissemann, Stokburger Sauer, 2012) as much of the current tourism research is replications of previous findings. In a broader sense, the field of tourism study has been criticized for “lacking in substantial theory of its own” and

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“failing to capitalize on progress made in other disciplines” (Farrell, Twining-Ward, 2004). Some researchers argued that much effort in our field has been wasted by continually “rediscovering ourselves” (Fesenmaier, 2004) rather than looking for new paradigms. One example is the small number of conceptual and theoretical papers, in comparison to a striking number of case studies and empirical statistical analyses. Nevertheless, it is the authors’ belief that the sustainable and healthy growth of our field relies mainly on its ability and courage to take intellectual theoretical challenges, as there is overemphasis on empirical studies rather than the theory building and conceptual thinking, so we advocate the analyses and potential adoption of the three divergent views of management thought that might assist our field in moving forward.

The rendezvous of tourism management with research within the framework of ‘mainstream management literature’ remains highly uneven (Li & Petrick, 2008;). In some areas this dislocation is increasingly being recognised with imprecise attempts by tourism researchers to incorporate new conceptual frameworks (Cooper, 2006; Yang & Wan, 2004; Hallin & Marnburg, 2007; Shaw & Williams, 2009). However, there are other key developments, particularly within management thought that have been largely neglected in tourism management studies. It is revealed that tourism marketing researchers have started to echo the new marketing thoughts, although in-depth conceptual exploration is still lacking. Of particular note is the relative failure of tourism research to incorporate the growing body of work by Vargo and Lusch (2004; 2008; 2009) on transformational service-dominant logic (S-D Logic). We propose that such issues might be addressed by applying the holistic paradigm of service-dominant (S-D) Logic, which originated in the marketing discipline in 2004 (Vargo, Lusch, 2004). As Shaw et al. (2011) and Grisseman and Stokburger-Sauer (2012) have recently demonstrated, there are valuable insights to be had from applying this emerging conceptual framework to tourism management. Such omissions have also been discussed briefly in the context of S-D Logic by Li and Petrick (2008) who argue ‘that more research is needed on the tenets proposed by s-d logic’ in the contextual framework of tourism industry; a challenge taken up by this paper. The ideas surrounding S-D Logic stands in marked contrast to more traditional approaches based on goods dominant logic. The S-D is particularly relevant to tourism management since it ‘is based on an understanding of the interwoven fabric of individuals and organisations (Lusch, Vargo, O’Brien, 2007) as shown in table 1. In this context it gives critical importance to the value-creating processes and interactions which involve the customer as a cocreator, co-producer and consumer of value (Payne, Storbacka, Frow, 2008; Lusch & Vargo, 2006). The approach highlights the customer-supplier relationship through interaction, dialog and experience. The tourism sector is increasingly based around the customer experience and as such suppliers and consumers interact more closely together at all stages of their relationship. The shift to tourism as ‘theatre model’ is based on consumer experiences that has been propounded by the Pine and Gilmore’s (1998, 2011) notions of the ‘experience economy’.

Experience Economy

Pine and Gilmore (1998, 2011) have argued that post-modern forms of consumption relate to a changed economy landscape based on ‘experiences economy’. In their recognition of the so-called emerging experience economy, they encapsulated previous thinking about the growing importance of consumer experiences as discussed by Holbrook and Hirschman (1982). Pine and Gilmore (2011) went further and highlighted the significance to both consumers and producers of creating memorable experiences associated with the consumption experiences. Tourism as such is nothing but the consumption experiences by the consumer (tourist). Memorable experiences are particularly associated with excellent

design (design thinking), branding and service delivery excellence and have two dimensions; firstly, consumer participation which ranges from passive to active and, secondly, the connection which links the customer to the experience event (Pine, Gilmore, 2011). The creation of such experiences is of obvious significance in tourism industry. This is due to the demand for customised experiences as the interactions of consumers with providers change (Etgar, 2008). Single exchange transactions can be transformed into relationships wherein value is created through the interaction process itself (Gronroos, 1994; Etgar, 2008).

Pine and Gilmore (2011) originally saw the value creation process from the producers' perspectives as being associated with five main principles of designing the customer experience, all of which are pertinent to tourism industry. Therefore, whilst some researchers within tourism took up the challenge of the 'experience economy' this was somewhat partial (Shaw & Williams, 2004; Weiermair & Mathies, 2004).

In Search of New Dominant Logic

Institutionalised logics of action-defined as organizing principles that shape ways of viewing the world (Suddaby & Greenwood, 2005; Thomson, 2011) play a fundamental role in providing scholars with mental models, vocabularies of motive, frameworks for reasoning, and guidelines for practice (Thompson, 2011). These logics constrain cognition and behaviour but also provide sources of agency and change (Thompson, 2011, Friedland & Alford, 1991; Rao, Monin, & Durand, 2003: 795; Thornton & Ocasio, 2008). Logics of action are encoded in the routines of training, monitoring, disciplining, and rewarding professionals (Friedson, 2001; Greenwood, Suddaby, & Hinings, 2002). Logics of action are not only routinized in laboratory practice but also provide the basis for rhetorical conflict in organizations (Suddaby & Greenwood, 2005, Thomson, 2011) and can lead to variations in practices within organizations and industries (Lounsbury, 2007). Relevant logics of action offer to culturally competent actors legitimated discourses for the extraction of organizational resources, particularly in fields exhibiting pluralism, dynamism and change (Dunn & Jones, 2010; Hardy & Maguire, 2008; Thompson, 2011) During the past 60 years, marketing has been transitioning from a product-oriented focus to a consumer focus and, more recently, from a transactional to a value generation focus through customer centricity and experience. The common denominator of this customer-centric, relational focus is a view of exchange that is driven by the individual consumer's perceived benefits from potential exchange partners' offerings (Vargo, Lusch, 2004). The focus of marketing has shifted from tangible goods and activities especially during the last two decades from their delivery to include the exchange of activities rather service orientation. The growing interest in services has been attributed in part to the existence of a structural shift in emerging market economies from production-dominant toward service-dominant economic activity, labeled the "post-industrial society" (Bell, 1953; Noyelle 1983); the "service economy" (Giarini and Stahel, 1989; Riddle 1986); "experience economy" (Pine and Gilmore, 1998) and the view that "goods" do not characterize all of the exchange (Shostack, 1977).

In service-dominant Logic, It is implied in the definition of 'service' as "the application of specialized competences (knowledge and skills) for the benefit of another party" (Vargo & Lusch, 2008). Indeed, S-D Logic conceptualises 'value' in terms of a process involving operant resources, which are "usually intangible, dynamic resources" (Vargo & Lusch, 2008). These operant resources are more fully understood in Hunt's (2004) description of them as "typically human (e.g., the skills and knowledge of individual employees), organisational (e.g., controls, routines, cultures, competences), informational (e.g., knowledge about market segments, competitors, and technology), and relational (e.g., relationships with

competitors, suppliers, and customers)”. Other key concepts in S-D Logic, including process, value co-creation, collaboration, resource integration, interactivity, and value-creation network, are also by nature intangible. The service-dominant logic maintains the centrality of the consumer with its emphasis on the consumer as a co-producer involved in the design, production, and consumption processes that determine the value ‘co-created’ in the consumer experience. Other members of the value-creation network are also vital for integrating resources that enable the firm to manage service experiences that are valued by the consumer, the “final and only arbiter of value” (Tynan & McKechnie, 2009). The value-creation realised in the collaboration of the consumer, the firm, and other members of the network depends largely on the exchange of ‘operant resources’ through interaction, dialogue, and coordinated communication (Tynan & McKechnie, 2009). “Intangibility, exchange processes, and relationships” (Vargo & Lusch, 2004), which underpin the S-D Logic approach, are intrinsic to the dynamic processes of learning, innovation, knowledge flows, and knowledge management in the tourism industry (Shaw et al., 2011). Such operant resources (both the actors and their collaborative processes) have been linked directly to competitive advantage and economic growth (e.g., ballantyne & Varey, 2006; Hunt, 2004; Vargo & Lusch, 2004) and, therefore, are regarded as key assets of an industry. Service-dominant logic (S-D logic) (Vargo and Lusch 2004; 2008; Vargo, 2009) is an emerging school of thought within marketing and management that is open for further elaboration, refinement, and development. The foundational premises of S-D Logic are outlined in Table 01.

Table 01: Foundational Premises of S-D Logic

01.	Service is the fundamental basis of exchange
02.	Indirect exchange masks the fundamental basis of exchange
03.	Goods are a distribution mechanism for service provision
04.	Operant resources are the fundamental source of competitive advantage
05.	All economies are service economies
06.	The customer is always a co-creator of value
07.	The enterprise cannot deliver value, but only offer value propositions
08.	A service-centred view is inherently customer oriented and relational
09.	All social and economic actors are resource integrators
10.	Value is always uniquely and phenomenologically determined by the beneficiary

Source: Vargo & Akaka, 2009

The Emerging Paradigm

A paradigm shapes the formulation of theoretical generalizations, focuses data gathering, and influences the selection of research procedures and projects. Paradigm is considered as a fundamental set of assumptions that is shared by the fraternity of a particular scientific community. A paradigm is more than a way of thinking- it’s a world view, broadly and deeply held belief about what types of problems are worth solving, or are even solvable. It is a criterion for choosing problems that can be assumed to have solutions. Paradigm is a set of linked assumptions about the world that provide a conceptual and philosophical framework about ontological and epistemological premises that are shared by a community of scientists investigating a particular phenomenon (Kuhn 1996, Despande 1983). As Kuhn noted, new paradigms tend to emerge from entirely new fundamentals and, at first, without a full set of concrete rules or standards (Kuhn 1996). Rather than lament or withdraw from this embryonic state of affairs, we hope that tourism

scholars will proactively embrace the unfolding process of paradigmatic debate, for the advancement of all sciences requires conflict between competing schools of thought (Kuhn, 1996). Although paradigms can facilitate research and generate axioms, frameworks, and typologies that are useful for both teaching and practice, they are only temporary postulates, and the validity of the underlying assumptions must always be open to challenge and scrutiny, further, in paradigmatic revolution the disciplinary matrix undergoes revision, in order to permit the solution of the more serious anomalous puzzles that disturbed the preceding period of normal science (Kuhn, 1996). Such a perspective seems applicable to tourism theory development as well.

The previous paradigmatic movements in marketing documented from positivism to interpretivism (Despande, 1983; Julie, Hudson, 1989) and humanism (Hirschman, 1986), the present emerging dominant logic is characterized by shifts in the types of problems to be studied, priorities in examining them, and methods to be used, all drawn from changing key assumptions about the nature of marketing phenomena. The emerging paradigm on the combination of the 'service dominant logic' and 'experience economy' will open new enthusiasm, rigor and relevance in tourism thought and industry. For this reason, we argue that it is desirable and imperative to open a dialogue on paradigmatic issues in field of tourism marketing to make it more robust, dynamic and vibrant to the challenges of 21st century service economy.

Conclusion, Implications and Future Research Directions

Since Pine and Gilmore's initial work, consumer experiences and S-D Logic of marketing need to be extensively studied within the role of consumers in the co-creation process in order to understand them in terms of absorptive and adaptive competences (Stefan, Brown, & Gallan, 2008) in order to evolve general competitive advantage (Asku, Tarcan, 2002; Nasution, Mavondo, 2008). The focus on the customer as an 'operant resource' also opens up different roles for customers in the co-creation process. According to Sheth and Mittal (2004), there are three key roles with customers as users, buyers and payers. These, of course, apply to customers in different contexts. In terms of S-D Logic, these in turn relate to value-in-use (user's role), value-in-exchange (buyer's role) and the payer's role embraces both value-in-exchange along with value-in-use (Stefan et al., 2008). The time has come to recombine the concepts of 'value' with/and 'experiences'. Disruption and discontinuous innovations can and do change customers' roles, as Stefan et al. (2008) illustrate with a range of short examples. Within the tourism industry, these changing roles are associated with innovations particularly, though not exclusively, surrounding e-commerce.

Marketing scholars believe that service-dominant logic is finely crafted, properly interdisciplinary, and logically sound. The logic needs to be evolved further in order to facilitate optimal marketing decisions in the emerging post-industrial experience economy. But the tipping-point argument leads us to the conclusion that the rate of transition is needs to be accelerated. By facilitating information flows, and the concomitant knowledge sharing and utilization, the enablers will also speed acceptance of the premise that "knowledge is the fundamental source of competitive advantage". We as marketing scholars need to develop measures, which will inevitably be less precise, of marketing's influence at the strategic and cultural levels if we are to understand tourism marketing as an integrated body of knowledge and practice.

The complexities of a solution enabled by the new dominant logic will be difficult to master and even more difficult to copy (Day, 2004). However, at the same time raises the questions regarding who will be advantaged or disadvantaged as the competitive and consumer landscape changes? Also, how marketing

resources will be converted into sustainable competitive advantage. But critical scrutiny is essential to the rigorous, relevant development and broad acceptance of new scientific paradigms. Critical debate is sure to spin off important advances, ramifications and modifications in the science and art of tourism marketing. Service-dominant logic at its current stage of development can not purport to be a general theory, but we believe that it provides the fundamental basis for the development of fully integrative and complete general theory of marketing. The combination of experience economy, service dominant logic and evolving a new paradigm of tourism industry is a daunting research task. The research studies need to be done by using the contemporary research methodologies of quantitative and qualitative techniques both individually and as mixed methods. The scholars need to develop case studies for the understanding of the particular phenomena and to use the same in the class room discussions for experiential pedagogy.

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