



Enhancing Tourism through Superior Customer Experience

Dr. Krishnaveni Muthiah, S. Suja
Department of Management Studies
PSG Institute of Management, Coimbatore, India

ABSTRACT

This study focuses on the enhancement of tourism through superior customer experience. The personal thoughts and satisfaction of tourists leading to their expectations and experiences are being studied in this paper. Valid and reliable measures of superior customer experiences, and the tourists thoughts and satisfaction leading to customer expectation and experience in the enhancement of tourism business were adapted from previous studies with minor modifications. This study involved a survey method using five point liker scale questionnaire. The expectation and experiences of tourist were measured using the strategic modules (sense, feel, think, act and relate) of Bernd Schmitt in experiential marketing. This study brings out valuable ideas for the enhancement of tourism business through superior customer experience.

Keywords: Superior Customer Experience, Experiential Marketing, Enhancing Tourism, Tourists Thoughts, Tourist expectations.

I. INTRODUCTION

In marketing strategies, the customer focus approach reveals superior customer experience as a differentiating tool for competitive advantage in an increasingly competitive environment. In recent years, tourism competes with other leisure segments such as theaters, amusement parks, etc. Thus superior customer experience provides a competitive advantage for tourism sector. Personal experiences help people to travel to a country and make intelligent and informed traveling decisions. The term experiential marketing in tourism refers to the actual tourist and traveler experiences with the brand (tourist destination anywhere in the world) that drives tourists and travelers and increase brand image and awareness. Superior customer experience is the difference between telling people about the features of the place and letting them experience the benefits for themselves. When done right, it's the most powerful tool to win brand loyalty.

This study aims to reveal the effects of superior customer experience from the tourism perspective. For this purpose, an instrument was developed and a survey was conducted from the tourists. Based on the research findings, a structural equation model is developed to reveal the relationship between personal thoughts and satisfaction of tourists with customer expectations and experiences leading to the enhancement of tourism business.

1.1 Need for the Study

The travel and tourism sector creates more jobs per million rupees of investment than any other sector of the economy and is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialized, even in the remote parts of the country. This sector is also responsible for the economical and environmental upliftment of the nation. If the customers (tourists and travelers) expectations are satisfied and if they receive a good experience from their travel it will be a good return for the nation.

“The unique and memorable experience merges as a strategic choice for tourism and leisure organizations in order to capture an intangible differentiation” (Antonio Azevedo -2009)

1.2 Objective of the Study

- * The first objective of the study is to bring out the implementation of superior customer experience in service industry (Tourism).
- * The second objective is to find the ways of implementing experiential marketing in finding the customer expectation and experiences.
- * The third objective of this study is to understand the influence of customer perceived thoughts and expectations leading to actual satisfaction and experiences.
- * The fourth objective is to know how the five experiential marketing tool brings out the ways of enhancing tourism business.

II. REVIEW OF LITERATURE AND THEORETICAL BUILDING:

Tourism is a travel experience for recreational, leisure or business purposes. The World Tourism Organization defines tourists as people “*travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes*”.

2.1 Superior Customer Experience

Several researchers have popularized the notion of viewing quality improvement as a continuous, closed-loop process. This same approach has been discussed in connection with customer satisfaction measurement and management for at least 15 years (Maritz), which paves a path way for the development of experiential marketing in all the fields of marketing. D.Randall Brandt and Rodger Stotz (in Maritz) defines “customer experience management process” as creating greater value for customers by better understanding drivers within the experience, enabling the people who touch customers to act differently, and motivating them to care.

2.2 Experiential marketing

Holbrook and Hirschman were the pioneers of experiential marketing in 1982 in their article they had stated “A disconfirmation paradigm, however is based on two important assumptions. First, it assumes consumers have expectations. Second, it assumes satisfaction is a function of deviations between expected product or service performance and actual performance. It is questionable whether

consumers evaluate extraordinary experience in terms of well-defined expectations or rate subsequent performance in terms of them. Pine and Gilmore (1999) explained their view of experiential marketing in the following manner “when a person buys a service, he purchases a set of intangible activities carried out on his behalf. But when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages to engage him in a personal way”. Bernd Schmitt (1999) states “SEMs are strategic experiential modules that managers can use to create different types of customer experiences for their customers.”

2.3 Tourist thoughts leading to expectations

Eric J. Arnould and Linda L. Price (1993) “The vagueness of expressed expectations is that consumers may be motivated to imagine what their trip will be like, but ill equipped with expertise to construct such images” in their river magic article clearly brings out the pre-trip thoughts of people leading to their expectations. The tourist will have certain thoughts which are being converted into expectations. The thoughts can be about anything such as food, accommodation, environment, climate, fun, entertainment and so on. As a result of their personal thoughts the customers will have certain expectations about anything related to the spot of visit, if they get a right person to guide them about the place of visit then their thoughts may lead to the attainment of exact expectations.

Meyer and Schwager (2007) states clearly that customer expectations can be shaped by customer previous thoughts, their personal situation, market condition and the competition. Customer thoughts can be shaped through advertisements, media, internet and so on. When a person visually watches something the thought process within him will start. When a situation comes for visiting the place then expectation starts to develop within him as a result of the thought process.

Leisure travelers at their selected destinations engage in activities to achieve their expectations. People travel to many sites and participate in multiple activities during a single trip. All the site, travelers experience diverse states of mind across time and space, and their feelings and thoughts fluctuate throughout the process of undergoing their expectations. Expectation provide standards to evaluate the quality of actual experience. Tourist thoughts of a site leads to the development of expectations about the site to be visited.

2.4 Tourist satisfaction leading to experiences

Oliver (1997) states tourist satisfaction as the end state of their psychological process leading to the visitor experiences. Satisfaction with the service provide by a tourist spot from a positive experience becomes positive word of mouth about the country (Bearden and teel, 1983; Woodside et al., 1989). A satisfied traveler with a place of visit of a certain country, ignores other countries tourist spots, advertisements and stops even visiting the tourist spots in other countries as a result of the memorable experiences undergone by the person at the spot of visit (Chou, 2009).

2.5 Tourist expectation leading to enhancement of tourism:

Jones and Sasser (1995) had classified customers into three types based on the level of fulfillment of their expectations such as:

- (i) Tourist whose expectations are not met
- (ii) Tourist whose expectations are met or exceeded slightly.
- (iii) Tourist whose expectations are exceeded.

The second and third category of tourist will let a positive word of mouth or recommend the place to their family friends or relatives as a result of the satisfied expectations received by them.

Stewart and Carpenter, states tourist/travelers are regarded as those who are “informed, driven by purpose and reasoning, and inclined to select a recreation site suitable to fulfill expected and desired outcomes” if their expectations are met out then they try to revisit or let a word of mouth or recommend the place to their friends and family members.

Some researchers emphasizes on the pre-trip expectations as it initiates the process of taking the actual trip. Williams (1989) also emphasizes on pre-trip expectations because the decision-making of the prospective leisure tourists is based on what they expect to do, pre-trip expectations are the most relevant factors to determine choices.

The tourist may take a decision to a particular spot because of the positive word of mouth from their friends, close relatives, or family members. The trip may be planned even because of the knowledge gained by the individual from various sources of information (electronic media, media, magazines, internet, etc) about the particular spot.

2.6 Tourist experience leading to enhancement of tourism

In tourism the best way of generating positive word of mouth is possible by the creation of memorable and positive service experiences (Zeithaml,1996).Wakefield and Barnes (1996), suggest that improvement in the service environment and experience will increase consumers perception s of quality, which in turn will increase the revisit. Providing enjoyable environment to tourist/traveler can be achieved through satisfying experiences. Managers take responsibility for “manipulating specific attributes of the environment to enhance the visitor experience” (Stewart and Carpenter, 1989), which in turn will pave way for the enhancement of tourism business through word of mouth, revisit, propaganda and so on as a result of the pleasurable experience derived from the travel.

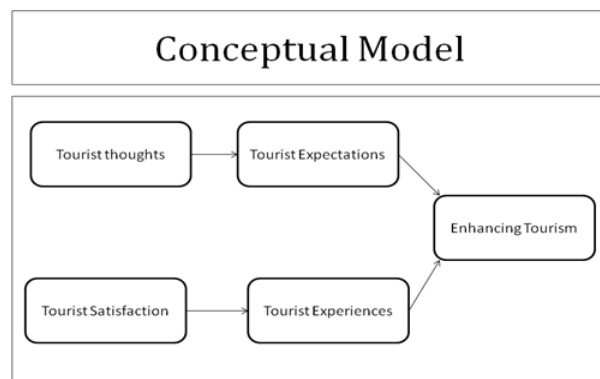


Figure.1 – Proposed Theoretical Model

III. METHODOLOGY

The methodology provides a clear idea about the statistical tools used, the sample size and the steps used in the model development procedure. The methodology part clearly states the reliability testing and validity testing parts.

3.1 Statistical Tools Used

To measure the enhancement of tourism, a structured equation model development procedure was followed (e.g., Churchill 1979, De Vellis 1991, Gerbing and Anderson 1988; Netemeyer, Bearden, and Sharma 2003). The validity of superior customer experience was measured using Structured Equation Model (R-Square value) for proving the relationships based on experiential outcomes. Finally we assess the t-test reliability of the measures through bootstrap values (t-value). Reliability is tested using Cronbach's alpha and validity is tested using PLS path modeling.

3.2 Sample Size

In order to confirm the properties of experience scale generated, data collection was conducted (n =113) at Chennai airport. The sample was consistent with the demographic characteristics of the tourists at the airport where the data collection occurred. Ethnicity was also consistent with the tourists (Indians = 52 and Sri Lankans = 61). Respondents were asked to evaluate their experiences based on the recent trip to the nations.

IV ANALYSIS AND RESULTS

4.1 Reliability Testing

Reliability of the constructs refers to the accuracy with which the constructs repeatedly measure the same experiences without much variation. The reliability of each construct and sub-construct in the questions were examined using Cronbach's alpha (Cronbach's 1951). As alpha score are equal and greater than 0.7 for all experience constructs, the constructs are acceptable with sufficient accuracy (Nunnally 1978). The overall reliability score of all the constructs is having values of 0.7 and above, showing a good reliability of the construct.

Table.1 Reliability measuring scale

| Construct | Reliability | Cronbach's Alpha |
|----------------------------|-------------|------------------|
| Tourist thought (TT) | 0.871137 | 0.823663 |
| Tourist expectations(TE.1) | 0.785159 | 0.701648 |
| Tourist satisfaction (TS) | 0.788548 | 0.718187 |
| Tourist Experience (TE.2) | 0.942413 | 0.778280 |

4.2 Validity Testing

The AVE score of all the constructs and indicates a good convergent validity and hence unidimensionality.

Table.2 – Validity Measuring Scale

| Constructs | AVE |
|----------------------|----------|
| Tourist Thought | 0.531775 |
| Tourist Expectation | 0.572474 |
| Tourist Satisfaction | 0.515265 |
| Tourist Experience | 0.548307 |

4.3 Correlation Analysis

Although the bivariate correlations are significant for most hypotheses when considered in pairs, it is still needed to check whether that is still significant when the experience constructs are put together in structural model as a casual effect. A rigorous test of the significance of various proposed relations can be tested using the bootstrap function in visual PLS. It is possible to use resampling methods (bootstrap and jack knife) to obtain the significance of the various paths in the model.

Table.3 – Construct level correlation Analysis

| Hypothesis | Independent Variable | Dependent Variable | Pearson Correlation | Sig (2 Tailed) |
|------------|-----------------------|---------------------|---------------------|----------------|
| H1 | Personal thoughts | Tourist expectation | 0.604 | 0.000 |
| H2 | Personal Satisfaction | Tourist experiences | 0.781 | 0.000 |
| H3 | Tourist expectation | Enhancing tourism | 0.602 | 0.000 |
| H4 | Tourist experience | Enhancing tourism | 0.613 | 0.000 |

V. CONCLUSION

The research has considered and used bootstrap for the purpose of determining casual relations proposed in the model. The results were examined for significance. At 5% level of significance the cutoff t-statics is 1.96. In general it is assumed that if the t-static is more than 2 the path is significant. Elements of tourism related business people experience that impact the tourist/traveler experience are often overlooked and/or misunderstood. Viewing tourist/traveler data and business people data as two sides of the same coin is one of the ways to identify key opportunities to make real improvements.

- ❖ **Identify tourist/traveler actions:** Key segments of tourist/traveler satisfaction and loyalty in need of improvement (based on tourist/traveler feedback) must be given due importance.
- ❖ **Identify tourism related business people actions:** Key segments of business people satisfaction and engagement in need of improvement (based on business people feedback) must be given due importance.
- ❖ **Link business people and tourist/traveler actions:** The key segments of business people performance must be related to the key segments of tourist/traveler actions, which will give superiority for customer experience.

5.1 General Discussion

This research aims to study the various factors influencing the enhancement of tourism business through superior customer experience. It aims to measure.

1. The various thoughts and satisfaction influencing the customer expectation and experiences.
2. The customer expectation and experience is measured using the strategic module of Schmitt in Experiential module.
3. The enhancement of tourism business.

All the previous studies have been focused on experiential marketing and tourism. An attempt has been made to bring superior customer experience in the enhancement of tourism i.e., the service sector. This study increases our knowledge of experience in service industry in the following ways. This research gives a framework that identifies various significant constructs and indicators to study superior customer experience of tourists. These constructs are personal, recreational and environmental thoughts and satisfaction. Experiences and expectations had 46 indicators which can still be increased. This adds to already existing instruments. More constructs and indicators can be added. This study provides supporting evidence to the already existing literature on customer experience. This represents one of the first attempts to apply the concepts of superior customer experience in a service industry (tourism). The study shows personal thoughts and satisfactions of tourist and travelers place a vital role in achieving customer expectation and experiences which leads to enhancement of tourism business. However the information sharing through a service sector in various levels in tourism industry is left out. This study shows personal thoughts and satisfaction of customers have a greater influences in the enhancement of tourism through customer expectations and experiences.

This study shows has several important implications for practitioners i.e., Today business is changing from service to experience in various destinations of tourism. So it is important for competitive players to think on a large scale in the total global competitive level. Even today, experience is not interpreted as form of marketing even in product sector. Most firms are not clear on what to do to improve the performance as a player in the competitive scenario. This study provides key area to firms to concentrate on betterment of the practices. This study provides a valid scale to measure the flexibility of superior customer experience in understanding the exact needs and wants of customers. Most study focus on the emotions, feelings and incorrect understanding of the customer's needs and wants. This study shows a clear path of taking the customers from the perceived knowledge to actual knowledge in acquiring experiences.

The research had the following shortcomings. The number of observation was limited. So revalidation of the same was not carried out for the other data sets. So the instruments used in this research needs to be revalidated for further studies in other industries as well. Because of time limitation this study did not consider other dimensions affecting the experience industry. These dimensions are left for feature research by other researches. Due to limited time and tedious data collection needed for each questionnaire only 200 responses were collected from Indians and Sri Lankans. These are assumed to be representative of the entire population of India and Sri Lanka. Other tourist destinations were neglected. Only a section of the experience industry is studied in this research. An end-to-end study is not conducted.

REFERENCES

- [1] Antonio Azevedo, Designing unique and memorable experiences: co-creation and the surprise factor, *Instituto Politecnico de Leiria, III congresso internacional de turismo de leiria e oeste*, 2009, Universidade do Minho.
- [2] D.Randall Brandt and Rodger Stotz, Grow Your Business Through Superior Customer Experience, 2006, www.maritzresearch.com, (877) 4 MARITZ info@maritz.com

- [3] Holbrook.B.M and Hirschman.E.C, Hedonic consumption emerging concepts, methods and propositions, *Journal of Marketing*, 12, 1982, 115-136.
- [4] Pine II.B.J & Gilmore.J.H, The Experience Economy: Work is Theater & every Business a Stage, *Harvard Business Press*, 1999, United States of America.
- [5] Bernd Schmitt, Experiential Marketing, *Journal of Marketing Management*, 15, 1999, 53-67.
- [6] Arnould.E, and Price.L, River Magic: Extraordinary Experiences and the Extended Service Encounter, *Journal of consumer Research*, 20, 1993, 8-19.
- [7] Meyer.C and Schwager.A, Understanding Customer Experience, *Harvard Business Review*, 2007, 1-12.
- [8] Oliver, Richard.L, *satisfaction: a behavioral perspective of the customer*, (Boston McGraw Hill, 1997).
- [9] Beardn, W.D., & Tel, J.E. (1983), Selected determinants of consumer satisfaction and complaint reports, *Journal of Marketing Research*, 20, 1983, 21-28.
- [10] Woodside AG, Frey LL, Daly RT, Linking service quality, customer satisfaction and behavioral intention. *Journal of Health care Mark*, 9(4), 1989, 5-17.
- [11] Jones TO, Sasser WE, Why satisfied customers Defect, *Harvard Business Review* 73 (6), 1995, 88-99.
- [12] Williams.D.R, (1989), *Great expectations and the limits of satisfaction: A review of recreation and customer satisfaction research*. Inoutdoor recreation benchmark 1988: Proceedings of the national outdoor recreation forum , USDA Forest service, General technical report SE-52, 422-438.
- [13] Zeithmal.V.A and Bitner,M.J, *service marketing*, (New York, Mc Graw Hill, 1996).
- [14] Wakefield.K.L and Barnes.J.H, Retailing hedonic consumption: A model of sales promotion of leisure service, *Journal of retailing*, 72(4), 1996, 409-428.
- [15] Churchill Gilbert A. Jr., A Paradigm for Developing Better Measures of Marketing Constructs, *Journal of Marketing Research*, 16(2), 1979, 64–73.
- [16] DeVellis, Robert F., *scale development: theory and applications*, (New- bury Park, CA: Sage, 1991).
- [17] Gerbing, David W. and James C. Anderson, An Updated Paradigm for Scale Development Incorporating Unidimensionality and its Assessment, *Journal of Marketing Research*, 25 (2), 1988, 186–92.
- [18] Netemeyer, Richard G., William O. Bearden and Subhash Sharma, *scaling procedure: issues and applications*, (Thousand Oaks, CA: Sage, 2003).
- [19] Cronbach.L.J, Coefficient Alpha and Internal Structure of Tests, *Psychometrika*, 16, 1951, 297-334.
- [20] Nunnally.J.C, *psychometric theory*, (New York, NY, McCaw-Hill, 1978).