

Blending Functional and Emotional Experience with the Experience Economy Model to Understand Resort Experience

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Abstract: Recently, research on customer experience has been extensively conducted in the hospitality and tourism field such as the resort industry. It is widely known that a pleasant and memorable experience during guests' stay will encourage favourable attitude from the guests. Prior research has revealed that guests who stay in a resort look for accommodation, dining, and cultural experiences as well as interaction with its external environment (e.g. recreational activities). This suggests the importance of functional and emotional experience, and experiential consumption theories. This article proposes an integration of functional and emotional experience with the experience economy model as a dimension of customer experience, in order to further understand customers' resort experience. This proposed dimension builds and improves upon the evolving theory in experiential consumption with a comprehensive approach that may be applied to the hospitality and tourism industry. Hence, this will give a clearer direction to the hospitality and tourism industry, as guidance for its guest managers.

Keywords: Customer experience, functional experience, emotional experience, experience economy, resort.

Paper type: Conceptual paper

1. Introduction

The transformation in marketing practice and research has begun since 25 years ago. The transformation saw a change from focusing on creating a product to a brand to creating customer relationship through customer service, and now to managing customer experience (Klaus and Maklan, 2011). Thus, the literature in marketing and consumer behaviour has evolved from functional theories to emotional attributes which lead to the existence of customer experience theories (Holbrook and Hirschman, 1982; Pine and Gilmore, 1998; Schmitt, 1999; Mascarenhas *et al.*, 2006; Berry and Carbone, 2007). For instance, Holbrook and Hirschman (1982) proposed an experiential consumption concept in which they argued that besides

being rational, customers are also emotional during consumption. Hence, they suggested that during consumption, customers are involved in fantasies, feelings, and fun. On the other hand, Pine and Gilmore (1998) developed an economic experience concept. This concept emphasizes the evolution of economic progression from commodities to goods and services, and end up with customer experience. It proposes a comprehensive model to make businesses recognize the importance of managing customer experience. Upon realizing the importance of retaining existing customers in this highly competitive environment, Mascarenhas *et al.* (2006b) proposed a concept of total customer experience. According to these authors, marketers should focus on both functional and emotional attributes of a product or service. By combining both functional and emotional attributes in delivering customer experience, it enables a firm to generate lasting customer loyalty.

Research on customer experience has developed over the past 30 years with an emphasis on conceptualizing and conducting empirical studies. Even though this subject has received huge attention from researchers in the recent years, creating, measuring, and managing customer experience still remain unclear in the hospitality industry because the literature on customer experience may be considered complex and very subjective (Cetin and Dincer, 2013). Hence, this leads to the inadequate knowledge of the dimensions of customer experience. Although there are various dimensions of customer experience conceptualized in the literature, without a clear direction on customer experience items, a firm may not succeed in managing their customer experience (Cetin and Dincer, 2013); especially in the hospitality and tourism industry.

Due to the importance of customer experience in the hospitality and tourism industry, this article aims to conceptualize a new theoretical framework with regard to the dimensions of customer experience in the context of a resort. The discussion in this article begins with the description of customer experience in the hospitality and tourism industry, followed with the dimensions of customer experience, then a brief elaboration on the functional and emotional experience, the experience economy concept, and the integration of both concepts, and ends with a conclusion.

2. Literature Review

A. *Customer experience in hospitality and tourism industry*

Holbrook and Hirschman (1982) defined customer experience as an emotional arousal from fantasies, feeling, and fun. On the other hand, Gentile *et al.* (2007: p 397) described that “customer experience originates from a set of interactions between a customer and a product, a company, or part of its organisation, which provoke a reaction”. Meanwhile, Meyer and Schwager (2007: p 118) described customer experience as a response from a customer to a company whether directly or indirectly. Direct response generally occurs during a product or service purchase and usage stage, whereas indirect response often involves unexpected interactions with the representatives of a company’s products or service.

Customer experience is seen to be more relevant to the hospitality and tourism industry because the industry is viewed as an experience-intensive service industry. Moreover, travellers nowadays concern more on their travel and visit experience (Ali and Omar, 2014). This is due to the fact that they are looking for a unique, individualized, hedonistic, integrated, and outstanding-quality of hospitality experience (Bharwani *et al.*, 2013). Hence, many service providers in this industry have shifted from focusing on its product and services to customer experience (Knutson *et al.*, 2008). By delivering customers a high-quality experience, the hospitality firms can differentiate themselves from their competitors (Walls *et al.*, 2011).

Due to the scenario discussed earlier, this subject has received considerable attention from many researchers in this industry. For instance, Hosany and Witham (2009) investigated the effect of customer experience on satisfaction and intention to recommend among the cruisers who are on a two-week cruise

vacation from Singapore to Hong Kong. Meanwhile, Cetin and Dincer (2013) conducted an empirical study to examine the factors that influence customer experience and its consequences among the tourists who stay in five-star hotels in Istanbul. Other than that, Ali *et al.* (2014) attempted to investigate the impact of customer experience on memories and loyalty among the guests who stay in Malaysia resort hotels. One of the main objectives of these studies was to explore the dimensions of customer experience. These studies proposed that there are diverse dimensions of customer experience. The next section will discuss the dimensions of customer experience thoroughly.

B. Dimensions of customer experience in the hospitality and tourism industry

A substantial number of studies have been carried out to explore the dimensions of customer experience. Some of these studies are conceptual in nature and some of them are empirical studies (Wong, 2013; Drengner *et al.*, 2012; Bigné *et al.*, 2008; Verhoef *et al.*, 2009; Han and Jeong, 2013; Singh and Kurobuza, 2015). These studies revealed that there are diverse dimensions of customer experience (Table 1). As illustrated in Table 1, this article summarizes the determining customer experience dimensions in previous studies which can be classified into two categories. Each dimension was examined based on functional and emotional experience at first, and then the experience economy concept.

Table 1. Dimensions of experience in hospitality and tourism research

Authors (s)	Context	Dimensions	Attributes
Oh <i>et al.</i> , (2007)	Developed a measurement scale using the experience economy concept	Bed and breakfast industry	Educational, escapist, aesthetic, and entertainment
Bigné <i>et al.</i> (2008)	Examined the impact of consumption experience on behavioural intention	Leisure and tourism	Disconfirmation and emotion
Hosany and Witham (2009)	Identified customer experience dimensions in cruise experience	Cruise service	Educational, escapist, aesthetic, and entertainment
Quadri-felitti and Fiore (2012)	Conceptualized the experience economy concept in wine tourism	Wine tourism	Educational, escapist, aesthetic, and entertainment
Drengner <i>et al.</i> (2012)	Examined the influence of emotional experience on customer loyalty	Collective hedonic service	Emotional experience
Wong (2013)	Examined customer experience in casino service encounter	Casino	Service environment, service employee, service convenience, and hedonic service.
Han and Jeong (2013)	Examined the influence of emotional experience on loyalty	Upscale restaurant	Emotional experience
Nasermoadeli <i>et al.</i> (2013)	Examined the impact of customer experience on purchase intention	Cinema	Sensory, emotional, and social experience
Ali <i>et al.</i> (2014)	Examined the effect of	Resort hotel	Educational, Experience

Chauchan and Manhas (2014)	customer experience on memories and loyalty Analyzed the dimensions of customer experience	Airline	escapist, aesthetic, and entertainment Hedonism, novelty, safety, recognition, and comfort	economy Functional and emotional
Singh and Kurobuza (2015)	Examined service experience and its impact on brand image	Hotel	Service quality, service delivery, hotel ambience, quality of staff and amenities, experience quality, and quality of aesthetic	Functional and emotional

Source: Researcher's compilation

As mentioned earlier, the first category in those studies explored the dimensions of customer experience based on functional and emotional experience. This experience highlights the physical and value benefits and customers' affective response to the service encounter. Most of the previous studies used this category in the service and hospitality context such as banking, retailing, restaurant, and lodging. For instance, a study by Wong (2013) have measured this experience in a casino business. He suggested that in that type of hospitality industry, functional experience and emotional experience should be combined together to create positive customer experience. Thus, he proposed new dimensions of customer experience by combining both experiences. The dimensions include service environment, service employees, service convenience, and hedonic service.

The second category of those studies explored customer experience from the perspective of experience economy. As described earlier in the introduction, this concept was developed by Pine and Gilmore in 1998. These scholars transformed consumption experience to the final phase of economic progression emerged from commodity, product, and service economy. However, as illustrated in Table 1, this concept has been widely used in leisure and tourism research (Oh et al., 2007; Hosany and Witham, 2009; Quadri-felliti and Fiore, 2012; Ali *et al.*, 2014). This is in line with the view proposed by Mehmetoglu and Engen (2011). They elaborated the concept of experience economy which is appropriate for typical tourisms (e.g. accommodation, visitor attraction, and leisure). For instance, Hosany and Witham (2009) have examined this experience economy concept in the cruise industry. Based on 169 completed surveys obtained from cruise passengers who went for a two-week cruise vacation, they found that cruise experience is derived from four dimensions; education, entertainment, escapist, and aesthetic.

Hence, it is obvious that there are various dimensions of customer experience. This is supported by Cetin and Dincer (2013) in which they posited that there is no mutual exclusive dimensions of customer experience because previous researchers applied different dimensions according to their interest. Thus, they suggested that research efforts are continuously needed to explore other potential dimensions of customer experience. In addition, the literature has also revealed that integration of functional and emotional experience with the experience economy concept is still lacking. Thus, this article attempts to propose a new dimension of customer experience by integrating those concepts. The next section will discuss both concepts thoroughly and how it relates to resort experience.

C. Functional and emotional experience and experience economy

The first part of this section will discuss the experience economy concept and the latter will discuss the functional and emotional experience. The discussion will focus more on the dimensions and how these dimensions are associated to a resort setting.

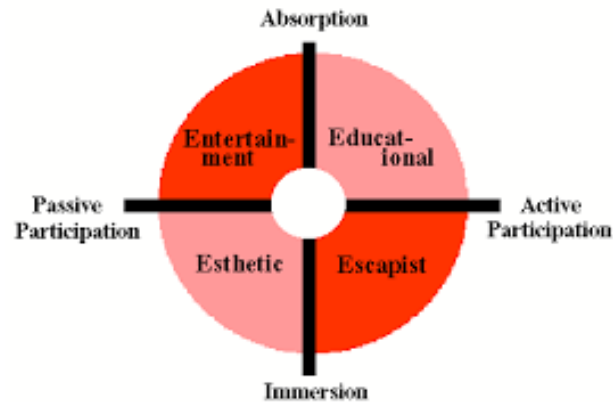
Experience Economy

The experience economy concept was developed by Pine and Gilmore (1998) and it has received huge attention from researchers in examining the consumption experience. According to them, there are four dimensions of experience economy, namely entertainment, educational, escapist, and aestheticism (Figure 1). They described entertainment experience as an individual being aroused with feelings of fun, pleasure, and relaxation. This will happen when the individual is involved in any sort of activities such as listening to the music (Oh *et al.*, 2007). Some common examples of entertainment experience are those offered by Disneyland. Over the years, Disneyland has been appealing as a family-oriented entertainment that offers entertainment experience at its theme park and hotel. It offers a unique entertainment experience to their customers while visiting the theme park. Resort vacations have always offered assorted entertainments. For instance, some resorts let their guests enjoy a live band performance, some serve drinks at the swim up bar at the pool side, while some entertain their guests with a piano performance at the coffee house or at the lobby.

In terms of educational-based experience, these authors explained that an individual will engage their mind to enhance their knowledge and skills. This dimension allows customers to engage their mind in learning new things. It is suggested in the tourism literature that the factor that encourages an individual to travel is because they want to experience something extraordinary (Hosany and Witham, 2009). For instance, Quadri-felitti and Fiore (2012) posited that in wine tourism, the common educational activities that can increase tourist knowledge and skills are wine testing and home winemaking seminars. In relation to resort experience, guests may learn or enhance their skills on several leisure activities provided by the resort such as archery, scuba diving, jungle tracking, snorkelling, massage technique, cooking lesson, swimming, and flying fox (Ali *et al.*, 2014).

Conversely, for aesthetic experience, individuals will stimulate their senses by enjoying the destination environment. They will show their appreciation to the nature of the destination (Oh *et al.*, 2007). Quadri-felitti and Fiore (2012) suggested that the motivational factor for tourists to visit a particular place is because they want to experience the uniqueness of a landscape which is different from the modern, urban, and suburban life. With regard to resort experience, guests may visit resorts to enjoy the natural exotic view or the peacefulness of the beach. The last dimension of experience economy is escapist. Escapist experience refers to the desire of an individual to escape from his/her stressful daily routine at home and office. Tourism offers diverse opportunities for escapist experience and requires active participation. For instance, in wine tourism, tourists may engage in wine country recreation such as harvesting the grapes (Quadri-felitti and Fiore, 2012). This escapist experience is substantiated by resorts settings as well because many people nowadays visit resorts to escape from their regular environment (Ali *et al.*, 2014) to relax, rejuvenate, and pamper themselves.

Figure 1. Four dimensions of experience economy



Source: Pine and Gilmore (1998)

Functional and emotional experience

To create customer experience in the hospitality industry, Mascarenhas *et al.* (2006) suggested experience to involve a combination of emotional attributes (e.g. excitement and employee-customer interaction) and functional attributes (e.g. service product) to arouse customer experience. Gentile *et al.* (2007) implied that “customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction”. This experience is strictly personal and implies the customer’s involvement at different levels (rational, emotional, sensorial, physical, and spiritual)”.

Based on the above suggestion, Wong (2013) proposed that customer experience in the hospitality industry should incorporate both functional and emotional attributes. Thus, he suggested that customer experience dimensions should involve four elements, namely service environment, employee service, service convenience, and hedonic service. The first dimension means that customer experience should involve the interaction between the customer and the service environment. This dimension explains that service scape is important in cultivating customer experience. Servicescape refers to a tangible setting in which it is designed to impress the customer such as the architectural design, layout, signage, and interior décor. For instance, guests will be impressed at a resort that is designed in a style of a Malay traditional village or has a contemporary design, or the lobby is surrounded with green plants as well as a fountain. The second dimension is employee service. This dimension refers to the degree of interaction between the customer and the service provider’s representatives. For instance, a bell boy greets the guests and assists them to carry their luggage to their rooms. Another example, a desk representative asks the guests for any request or complimentary service while waiting for check-in.

The third dimension illustrated in Wong’s study is service convenience. This dimension represents the value that the customer gains from using the service and it covers the customer’s effort to acquire the service. For instance, the location of the resort is easily accessible, not far from the airport, accessible by public transport, and surrounded by many food courts. The last dimension is hedonic service. Hedonic experience is derived from a guest’s need for pleasure, fun, and excitement. For instance, a resort lets their guests enjoy a live band performance from their rock agents, or drinks are served at the swim up bar. Some entertain their guests with a piano performance at the coffee house or at the lobby.

D. Integration of functional emotional experience and experience economy concept

Although prior empirical studies did not look into integrating both concepts, it is suggested that the potential application of integrating both concepts in resort experience is necessary. Singh and Kurobuza (2015) suggested that both functional and emotional attributes such as service delivery, service quality, and

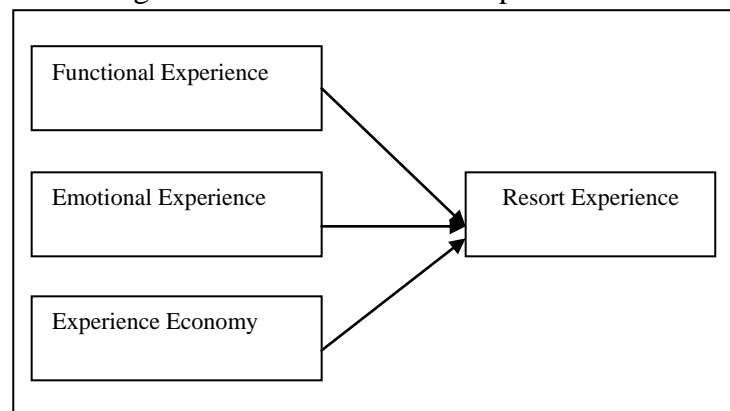
experience quality are among the important dimensions of customer experience in the resort industry. On the other hand, Ali et al. (2014) have operationalized the experience economy concept by examining the measurement scale in a resort setting. The results of both studies demonstrated the validity of using the functional, emotional, and experience economy concept to explain guest experience.

This article posits that both concepts are relevant and useful in conceptualizing the guest experience in a resort setting based on two reasons. Firstly, apart from considering resorts as a hospitality industry, it can also be categorized under the tourism industry. As claimed by Cetin and Dincer (2013), accommodation is also viewed as a component of tourism activity. Hence, it is noteworthy that customers not only expect to experience better functional and emotional benefits from the service providers, but they also seek for leisure benefits such as sight-seeing, dining, shopping, cultural, and recreational activities during their stay. This is supported by the view proposed by Seebaluck *et al.*, (2013). They mentioned that tourism consumption involves the integration of travel, accommodation, leisure, as well as food and beverages.

Secondly, this article views functional and emotional experience differently from the experience economy concept. Functional and emotional experience focuses on customer service delivery aspects such as the physical products offered by the service provider, for instance rooms and amenities (functional), and the interaction between the employees and customers (emotional). This concept emphasizes what creates an experience to the customers (internal aspect). This is supported by Berry and Carbone (2007) in which they mentioned that a firm should deliver a set of customer experience that involves a combination of functional and emotional clues. On the other hand, experience economy is viewed as an experience that cultivates an interaction between the customer and the environment (external aspect). According to Mehmetoglu and Engen (2011), the concept of experience economy explicates the level of customer involvement and the connection with the environment. Moreover, this concept focuses more on what the experience can do to the customer rather than what can create an experience.

Therefore, it is logical to assume that guests who stay in a resort expect to gain experience ranging from functional and emotional attributes and from the interaction with its external environment. Other than expecting outstanding accommodation, facility, and excellent employees' communication skills, guests also seek for a natural, peaceful, relaxing, and attractive environment and challenging activities from the resort provider to arouse their stay experience. In short, the above discussion has led to the development of the following framework (Figure 2).

Figure 2. A Model of resort experience



4. Conclusion

In conclusion, this article aimed to propose a new dimension of customer experience in which it integrates both functional and emotional experiences with the experience economy concept in a resort setting. This dimension proposed that customer experience is a result from the interaction with functional, emotional,

and the external environment offered by resort providers. It is different from the related measures of customer experience mentioned earlier as they mainly focus on capturing the guests experiential expression from both resort providers (internal aspect) and environmental aspect (external aspect). Therefore, this article has made an important contribution by conceptualizing a measure to understand customer experience in a resort setting. It is believed that this effort could provide a comprehensive framework for resort experience management. In addition, this significantly benefits resort managers by considering and participating in this dimension as it will enable them to have an in-depth understanding of guest experiential responses. Resort managers can further identify the factors that cultivate favourable guest experience.

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