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Emotional Value in Memorable Guest Experiences: Insights from Dining, Lodging, Events and Attractions

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Abstract

A major implication of Pine and Gilmore's seminal work is that experiences represent a higher level of customer value than services because they are memorable and rich in sensations. Inspiring emotional connections with customers provides enormous opportunity to create value in organizations competing in the memories business. However, defining the specific emotional motivators for a particular industry segment or company presents research challenges, as there is no standard lexicon of emotions. A fuller understanding of specific motivators of emotional value is needed. This study explored guest perceptions of value and emotions in four segments of a hospitality and tourism marketplace. The research employed an exploratory sequential mixed methods approach. In the first phase, participants in an executive education program wrote stories about their own memorable experiences. 135 stories were coded for emotional value. A list of 40 codes were synthesized into a list of 25 emotion adjectives. In the second phase, onsite guest surveys were conducted at restaurants, resorts, events, and attractions to examine value propositions and emotions. Findings from a total of 434 surveys revealed significant differences in value expectations and emotion frequencies across the four types of guest experiences. Dining experiences were characterized by feelings of togetherness and connection. Lodging drew greater emotions connected to relaxation and being cared for. What stood out from the event data was that uniqueness showed up in the list of top ten emotions for the first time. It was also the only sub-segment of experiences that included stimulated and educated in its high frequency emotions. In the case of attractions, some 66% desired emotional value from their experience rather than functional or economic value. Adventure and surprises were considered important emotional motivators in the attractions industry.

Keywords: Experience economy; Value propositions; Emotions; Memorable experiences

Introduction

One of the major shifts facing business organizations today involves the growing importance of experiential consumption. Alvin Toffler, in his book Future Shock, was the first to envision experience industries as emerging sectors of the future economy. Pine and Gilmore [1] extended this notion by describing a progression of economic value from commodities to goods to services to experiences. The authors argued that this transition, from a service economy to an experience economy, means that as services become more commoditized, perceptions of competitive advantage diminish. Therefore, all actions of the organization must contribute to delivering experiential offerings that engage customers in unique and memorable ways.

A major implication of Pine and Gilmore's seminal work is that experiences represent a higher level of customer value than services because they are memorable and rich in sensations. Memories and emotional value, as opposed to consistency and functional value, have been highlighted as key distinctions of guest experiences in the hospitality and tourism industry as well [2]. The total guest experience integrates the environment, experiential activities, and employee interactions. Individual values and expectations play a role, as well as the ever-evolving life- style trends and pop culture references. The vast quantity of variables makes it almost impossible to tightly manage the guest experience similar to the way services are standardized. As employees are an integral part of the economic offering, developing a shared understanding of the unique, co-created, and memorable guest experience becomes critical [3].

Inspiring emotional connections with customers provides enormous opportunity to create value in organizations competing

in the memories business. For the first time, the US Customer Experience Index cited emotional value as the number one factor for improved customer loyalty [4]. Despite the widespread use of value propositions in business language, there is very little empirical work to date [5]. Defining the specific emotional motivators for a particular industry segment or company presents research challenges, as there is no standard lexicon of emotions. Emerging research in positive psychology [6] and studies regarding the dimensions of memorable experiences in tourism provide promising direction [7]. However, a fuller understanding of the specific motivators of emotional value is needed. This study explored guest perceptions of value and emotions in four sub-segments of a hospitality and tourism marketplace. The following research questions guided the inquiry:

- What are the motivators of emotional value for organizations whose main economic offering is a memorable guest experience?
- How do guest perceptions of value and emotions differ across the dining, lodging, events, and attractions segments of the hospitality and tourism industry?

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Literature Review

Value propositions

Value propositions have long been considered integral to business strategy and marketing. Kaplan and Norton [8] articulated that a differentiated value proposition is the essence of a company's strategy. The development of value propositions and how companies can leverage a unique value proposition for competitive advantage is considered a key research priority for marketing [5]. Despite widespread casual use of the term in business, however, academic research of value propositions has not kept pace. Early conceptions focused on differentiating value of a firm's offerings from the company's perspective. For example Treacy and Wiersma [9] defined a value proposition as the promise a company makes to customers to deliver particular benefits like price, quality, or convenience. Later conceptions focused on how a company's collection of offerings added value from the customer perspective as well. Rintamaki et al. [10] articulated value propositions as a strategic intent that comprised what the company believed its customers valued the most and what the company could deliver for competitive advantage.

Sheth et al. [11] introduced a theory of consumption that distinguished five dimensions of value to explain customer buying decisions. Functional value is equal to the usefulness of the product where emotional value is concerned with feelings or affective states created by the offering. Social value is based on acceptability and relation with the social environment evoked by the offering. Epistemic value was defined as benefits that drive curiosity or satisfy a customer's desire for knowledge. Conditional or situational value relates to conditions that amplified product value. These distinctions are evident in contemporary approaches to value creation as well. Jobs to be done theory [12] advocates a focus on what the customer seeks to accomplish as opposed to selling a product's benefits. Jobs are shorthand for what an individual seeks to accomplish in a given circumstance. Value is viewed through the lens of helping consumers solve problems while addressing anxieties that might be holding them back. Circumstances are more important than customer characteristics, product attributes, or new technologies. The authors also content that "jobs are never simply about function. They also have powerful social and emotional dimensions" (page 7).

Alongside the growth in experiential consumption emerging research aims to conceptualize value propositions with updated perspectives. An underlying premise is that companies can only offer value propositions. Value is determined by the customer as the engage with the firm's offerings and other actors [13]. Value is a function of human experience, and experience comes from interactions [14]. Contrary to the goods dominant, customer-company dyadic approach, value co-creation is framed within a service ecosystem [5]. Updated perspectives point out that service experiences are intended to fulfil the need for emotional end states. Functional value is not enough. To fully leverage experience as part of a value proposition, organizations must manage the emotional dimensions of experiences with the same rigor they bring to the management of service functionality [15].

Memorable experiences

Pine and Gilmore called for the untying of services from experiences and articulated a progression of economic value from commodities to goods to services to experiences. To avoid commoditization of their offerings, firms in the experience economy would need to focus on staging unique, customized, and memorable experiences. The authors' theory explicates four realms of the experience offering entertainment,

education, escapism, and esthetics. A major implication of Pine and Gilmore's seminal work is that experiences represent a higher level of customer value than services because they are memorable and rich in sensations. Memories and emotional value, as opposed to consistency and functional value, have been highlighted as key distinctions of experience firms in the hospitality and tourism industry as well [2].

Researchers, integrating work done in the field of psychology, have identified several dimensions of memorable experiences. Many of these constructs, not surprisingly, have found their way into the discourse of experience economy studies and the hospitality and tourism literature. For example, the theory of optimal experience based on the concept of flow posited by Csikszentmihalyi [16] describes Immersion as a state in which people are so involved in an activity that nothing else seems to matter

Renewal and escapism is another construct that has been linked with memorable experiences in the hospitality and tourism industry. When people get away from their everyday lives they are freed up to think about their lives with new perspective, thereby enhancing the memorability of an experience [17]. Playfulness describes an intrinsic state that balances one's abilities with challenge [18]. Surprises and novelty are considered triggers for memorable experiences. Guests remember experiencing new places, trying something new, unique food and interesting tours, for example [19]. Social interaction is another trigger of memorable experiences. Engaging with others in collective experiences, especially with local people and their actual living environments, makes travel experiences more memorable [20].

Emotional value

Inspiring emotional connections with customers provides enormous opportunity to create value in organizations competing in the memories business. For the first time, the US Customer Experience Index cited emotional value as the number one factor for improved customer loyalty [4]. In another nationwide study across a variety of brands, customers with an emotional connection were deemed 52% more valuable than those who were merely satisfied [21]. Although the importance of emotional connection is finding its way into the lexicon of contemporary business organizations, identifying and measuring value and its emotional motivators is complicated. Nevertheless, there is renewed interest in studying emotions that contribute to well-being in everyday life. Research in the field of positive psychology identified ten representative positive emotions and their associated adjectives. The ten labels were joy, gratitude, serenity, interest, hope, pride, amusement, inspiration, awe, and love. Adjectives used to describe joy included glad, happy, and joyful. Fun, silly, playful, and amused comprised adjectives associated with the label of amusement, for example [6].

Defining the specific emotional motivators for a particular industry segment or company presents research challenges, as there is no standard lexicon of emotions. A comprehensive study reported in Harvard Business Review identified an initial list of 300 potential motivators of emotional connection. They studied several different industry segments to determine which emotions most correlated with a variety of traditional customer satisfaction and other marketing measures. Results varied dramatically across industry segments. However, the authors did identify a short list of emotions consistently linked with enhanced business metrics across all companies they studied. Among those were feeling unique, confident, cared for, wellbeing, freedom, thrill, belonging, living up to ideal self-image, feeling optimistic about the future, protecting the environment, and stand out from the crowd [22].

Emerging theoretical contributions of service and experience dominant logic do not offer easily operationalized starting points for empirical studies. Indeed, only 10% of the articles citing Pine and Gilmore's work involved measuring customer experiences in some way [23]. Scholars have articulated the need for measurement tools that capture the dimensions of service beyond those controlled by the firm (deliverable dimensions) to include more affective and subjective (impressionable dimensions) measures [24].

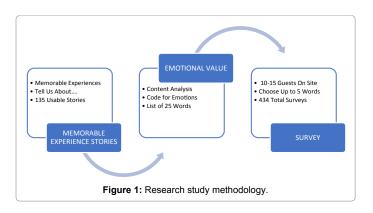
A review of empirical studies of emotional value in hospitality found that the traditional method of assessing emotion was dichotomous in nature. That is, emotion was operationalized as either positive or negative, based on stimuli from aspects of the service encounter or service scape [25,26]. The tourism literature provides a bit more direction in terms of potential motivators to travel. Tourism researchers assert that when people recall their tourism experiences, what they recall is mostly emotions, and not specific contexts [27]. A recent study to develop a scale of memorable tourism experiences included refreshment, interacting with locals, involvement, meaningfulness, knowledge, novelty, and hedonism [27]. Organizations that make emotional value part of their business performance scorecards are well poised to respond to the needs of the modern consumer. Clearly, a fuller understanding of the emotional end states in co-created guest experiences in hospitality and tourism firms is needed.

Methodology

This study adapted the methodology outlined in the recent article published by Harvard Business Review entitled, "The New Science of Customer Emotions" [22]. In the first phase, the researchers recommend gathering qualitative descriptions from customers about the company and its offerings. Qualitative data is analyzed to identify potential motivators of emotional value. In the second phase, the list of emotional motivators is examined to determine two or three emotions associated with customers the company considers "high value." Similarly, research for this study was conducted in two phases (Figure 1) corresponding to the research questions introduced in the first section of the paper:

- What are the motivators of emotional value for organizations whose main economic offering is a memorable guest experience?
- How do guest perceptions of value and emotions differ across the dining, lodging, events, and attractions segments of the hospitality and tourism industry?

To obtain rich descriptions about memorable experiences in hospitality and tourism, we asked participants of an executive



education program to write stories about their own memorable experiences. This storytelling exercise was also used to initiate class discussion around experiential consumption. Executives were asked to recount a memorable hospitality and tourism related experience they paid for during the past three years. Participants were asked to convey their experience as if they were telling a friend about their experience and to summarize the memories and emotions in a one-page story not to exceed 500 words. The instructors recounted their own stories as an example.

Content analysis was conducted on 135 stories in the first phase of the study. Passages descriptive of emotional value were coded using emotional motivators as the unit of analysis. For example, "we were taken back to our childhood" was coded as nostalgia, and "it was wonderful to be together again as a family" was coded as togetherness. Given that the unit of analysis was motivators of emotional value, passages like "we got a really good deal" and "it was our son's birthday" were not coded. A total of 40 emotion related words resulted from the initial coding process, culled to a list of 25 of the most frequently occurring adjectives of memorable guest experiences. Guest perceptions of value and emotions were examined in the second phase of the study. Intercept surveys were conducted on-site representing experiences in dining, lodging, events, and attractions.

Characteristics of participating organizations

Empirical studies of hospitality and tourism consumers tend to focus on one segment of the broader industry, like hotels or events. The current research initiative sought to explore potential distinctions; hence the following considerations were made when determining the sample for the survey:

- A broad spectrum of hospitality and tourism-related firms within a single marketplace would allow for potential value and emotional motivator distinctions.
- Participating firms would represent the hospitality and tourism marketplace and convey the overall sense of place unique to the destination.
- First-time visits of leisure travelers would best capture the distinction between ordinary fulfilling of needs and experiential offerings that are memorable.

Participating firms were part of a hospitality and tourism marketplace in Southern California. Using the local convention and visitor's bureau directory and a university database of local hospitality organizations, four types of firms were targeted to participate in the study dining, lodging, events, and attractions. Dining firms were all part of a local restaurateur's collection of 17 uniquely branded restaurants that host leisure travelers throughout the destination. Twelve of these restaurants, ranging from casual to fine dining with average guest checks between 15 and 45 dollars, agreed to participate in the study. For the lodging segment, a list of branded and independent full-service properties was targeted for participation. Properties that primarily catered to business travelers as well as offerings positioned as limited service or economy were not considered. Nine hotels participated in the study. They would be classified as upper scale resorts and boutique offerings with average daily rates above the destination's annual ADR [28]. Seven events comprised the events segment of the study. Events were chosen because they brought incremental visitors to the destination and were considered "signature" events reflective of the region. These included a music festival, an annual pop culture convention, and other culture, sports, recreation, and wellness events

intended to drive economic impact for the region [29]. Attractions made up the last segment of participating organizations. Eight venues, included large theme parks, smaller amusement facilities, recreation venues, and land and sea-based entertainment offerings were included.

Data collection

Data was collected during the summer months on days prearranged with each firm. The goal was to obtain data during busy summer months when a large amount of leisure travelers would be likely. The intention was to conduct approximately 10 surveys per site with minimal disruption to the guests. Surveys were conducted on site at the participation organization using a convenience sample of exiting guests. Respondents were screened to ensure they were a leisure traveler and this was their first time at the particular site. Then, a short list of survey questions were asked by the interviewer and recorded. Guests were asked at the beginning of the survey to select a category most representing their value expectations [15]. Choices were economic (good value for the money), functional (consistent service or convenience), emotional (intangible or lasting memories) or a combination. Guests were then shown a list of 25 emotion related words and asked to check up to five words that conveyed their own experience. Because these were hard copy surveys conducted in person, five versions of the emotions list were developed that randomized the emotions (Table 1).

Results

A total of 434 usable surveys were included in this study. The mix of responses from the four segments was relatively balanced for dining (n=122, 28%), lodging (n=114, 26%), events (n=100, 23%) and attractions (n=98, 23%). The responses represent a snapshot in time from a hospitality and tourism marketplace. The economic offerings span from the more traditionally hospitality oriented (restaurants) to those classified as pure, pay to play experiences (theme parks). Figure 2 summarizes responses from the short survey about the type of value derived from the guest experience. Table 2 provides more detail about the emotions that best reflect the four types of guest experiences.

As shown in Figure 2, when asked to select which of the categories best reflected the type of value they expected from the experience, 20% of the dining survey respondents selected economic value, another 30% selected functional value. Only 15% selected emotional value and 35% chose the combination option. In lodging, economic value was only selected by 12% of the respondents. Functional value was the most frequently selected choice. 44% of the lodging guests indicated that their value expectation was functional (convenience or consistency). The remaining responses, representing 44% of the guests were emotional (33%) or a combination (11%). Value expectations for events comprised 10% in the economic category. The remaining choices had fairly equal representation. The profile labelled attractions in Figure 2 is strikingly different than the other three profiles. For

Happiness	Relaxation	Unique	Surprised	Escapism
Memorable	Excitement	Adventure	Stimulated	Fear
Needed	Harmony	Valued	Educated	Anxiety
Entertained	Cared For	Connection	Nostalgia	Sadness
Delighted	Togetherness	Wellbeing	Wonder	Fun

Five versions of this collection of 25 emotions, sorted randomly, were used in the survey phase of the study. Guests could select up to five emotions that characterized their experience.

Table 1: Potential motivators of emotional value.

example, emotional value was indicated by 66% of the respondents. This difference was statistically significant among the other three segments (p<.01).

The emotion frequency (Table 2) reveals a few commonalities as well as some dramatic differences in the profiles. Each of the profiles contains happiness and memorable in their top 10 lists. Many of the triggers of memorable experiences discussed in the literature review of this paper are represented across the four profiles. Three of the realms of experience discussed in Pine and Gilmore's model are represented to include entertainment, escapism, and education. Dining experiences were characterized by feelings of togetherness, being valued, and connection. Lodging drew greater emotions connected to relaxation, being cared for, and a sense of well-being. What stood out from the event data was that we saw uniqueness show up in the list of top ten for the first time. It was also the only sub-segment of experiences that included stimulated and educated in its high frequency emotions. Clearly the type of event dictates the levels of each of these emotions, but they represent a clear difference than those found in dining, lodging or attractions. In the case of attractions, adventure, excitement and surprise are important. Attractions is also the only profile to include a negative emotion-anxiety-in its profile.

Discussion and Implications

In a recent national survey of the millennial generation (age 18-34), 78% (n=507) indicated they would rather spend their money on experiences than purchasing desirable things [30]. Competing in the experience economy means privileging memories and emotional value over consistency and functional value. As consumers become more sophisticated, they are seeking meaningful experiences to satisfy their unmet needs, and these experiences last longer in their memory [20]. The power of providing memorable experiences resides in the organization's ability to create a strong emotional bond with customers, resulting in a greater likelihood of customer loyalty and premium prices [31].

Despite growing evidence from the modern marketplace, scholars and practitioners are still wrestling with the transition to a new paradigm of unique, co-created, and memorable experiences. Pine and Gilmore [32] contend that their book has not influenced enough business leaders to focus on creating memorable experiences. Businesses still reflect a type of thinking where rational ideas are prioritized over psychologically enticing approaches. Emotions are subjective, and researchers caution that people tend to rationalize their emotional states and attribute them to logical causes [19]. This

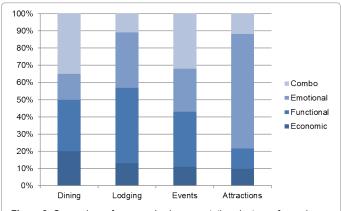


Figure 2: Comparison of espoused value expectations by type of experience.

Dining (n=122)		Lodging (n=114)		Events (n=100)		Attractions (n=98)	
Happiness	83%	Relaxation	72%	Fun	65%	Adventure	70%
Fun	73%	Cared For	60%	Excitement	49%	Memorable	68%
Delighted	57%	Well being	56%	Happiness	47%	Excitement	53%
Entertained	45%	Memorable	57%	Stimulated	44%	Fun	51%
Togetherness	35%	Valued	56%	Harmony	42%	Happiness	41%
Memorable	32%	Happiness	52%	Educated	37%	Surprised	42%
Valued	28%	Fun	48%	Memorable	37%	Unique	35%
Cared For	27%	Entertained	25%	Unique	35%	Entertained	33%
Connection	23%	Escapism	25%	Delighted	26%	Harmony	29%
Relaxation	15%	Harmony	19%	Relaxation	26%	Anxiety	24%

Each of the respondents selected up to five words from a list of 25 words. Only the top ten selections, listed in descending order of frequency, are shown in Table 2. Hence, the total numbers of responses for each industry segment (n * 5) are not represented.

 Table 2: Descriptive statistics: Emotion frequencies by type of experience.

study integrated emerging scholarship in service and experience theory to examine emotional value in hospitality and tourism firms from the guest perspective. Given the lack of empirical studies and the complex nature of researching emotions, the study focused narrowly on identifying potential motivators of memorable guest experiences and the adjectives used to distinguish four types of guest experiences. Important insights for scholars and practitioners are embedded in the study's findings.

The first phase of the research sought to understand key elements of memorable experiences in the context of the hospitality and tourism industry. A list of 25 words (Table 1) resulted from content analysis of 135 stories of meaningful commercial experiences remembered within the past three years. The list of words from this study is consistent, in some ways, with research outlined in the literature review of this paper. For example, most of the adjectives are positive emotions. Tourism research suggests that people score higher on positive emotions when they are on vacation [33]. The positive words from Table 1 also have a lot of crossover with the ten representative emotion labels from positive psychology. Recall that Frederickson [6] identified ten labels joy, gratitude, serenity, interest, hope, pride, amusement, inspiration, awe, and love. Joy is evident by happiness and delight in the current study's list. Gratitude is similar to valued. Harmony and relaxation from the current study's list aligns with serenity. Interest from Frederickson's list aligns with stimulated and educated from this study's results. Other consistencies with Frederickson's list and the findings from this study include pride (needed), amusement (fun), awe (wonder), and love (connection, togetherness). Two of the representative labels, however, are not represented by the findings from Table 1. They are hope and inspiration.

Qualitative findings also provide empirical support for some of the dimensions of memorable tourism experiences summarized in this paper's review of the literature. Renewal and escapism, playfulness, novelty and surprise, social interaction, knowledge, and hedonism are all represented, for example, among the list of 25 words resulting from the storytelling exercise conducted in Phase One of this study. Likewise, three of the four realms of experience described by Pine and Gilmore [1] show up in the final list of adjectives. These include education, escapism, and entertainment. It is important to note that what Pine and Gilmore called esthetics did not make the current study's list. Prior empirical studies have demonstrated a strong relationship between physical space and other components of esthetics with customer outcomes [34,35]. One explanation might be that statements about the surroundings and vibe of a place were not considered emotions during this study's coding process. Another explanation is that they are simply elements that ended up being coded in this study as harmony.

The second phase of the research sought participation from four sectors of the hospitality and tourism industry. 434 short guest surveys were conducted at restaurants, resorts, events, and attractions with fairly balanced participation from each segment. The focus on multiple types of hospitality and tourism related guest experiences enhances the external validity of the findings and increases variation in the responses. Some interesting differences were found. First, considerations of functional value like consistency and convenience have not been overtaken by emotional value in the eyes of many of the guests surveyed for this study. In dining and lodging, more than 50% of the guest surveyed espoused that economic or functional value was key to their experience, for example. This was not the case for attractions guests, however who overwhelmingly considered emotional value (66% of respondents) key to their experience. Future studies are needed to investigate these distinctions more. The differences may language-related. Dining and lodging have focused on service quality for decades, and the language of convenient, efficient, and friendly service may be top of mind for those types of guests. Attractions, on the other hand, are steeped in the traditions of Walt Disney, where creating lasting memories have been at the forefront of this segment's business lexicon. The profiles presented in Figure 2 may provide starting points for experience firms seeking new ways of thinking about strategic direction and their own combination of value propositions.

Designing and delivering a memorable experience is considered a messy process that begins with a deep understanding of what makes it memorable and valuable [3]. The frequency of emotions presented in Figure 2 may offer some guidance in this regard. Experience firms in the hospitality and tourism industry would do well to emphasize the emotional drivers distinct to their segment. In dining, the emphasis should be on creating entertaining, fun opportunities for togetherness and caring connections. An example might be the addition of social games like bocce ball or family style board games to casual dining experiences. Hotels catering to leisure travellers will attend to stimuli that emphasize relaxation, renewal, and well-being. These may be physical cues, like music and water features, or customized offerings like in-room yoga kits. Events will emphasize the unique ways they bring people together and stimulate their curiosities. At the same time, they will seek to harmonize attendees around a theme with a bigger purpose. Attractions will balance anxiety with fun in their quests to create feelings of surprise and adventure. Regardless of segment, extensive interaction is the norm, so wise managers will consider how employees can facilitate or hinder these key motivators of emotional value across the customer journey.

Limitations and Future Research

Like any research initiative, the results offered here should be considered within the context of the study's limitations. This study represents perceptions of guests in one marketplace with unique characteristics. The organizations were selected to reflect a diversity of experience types within the hospitality and tourism industry. However, results from the purposeful sampling of guests should not be considered generalizable. Instead, they provide a starting point for further studies of a complex phenomenon. There is no generally accepted theory of memorable experiences or standard lexicon of emotions in the hospitality and tourism industry. Hence, this study was exploratory in nature. The findings are descriptive rather than inferential.

Additional studies are needed to extend the descriptive findings presented in this paper. The next iteration would involve scale development that goes beyond guest responses of adjectives and introduces more detail into the motivators of the emotional end states. The comprehensive study recently published by Harvard Business Review may provide items that can be adapted and tested. These emergent scales of emotional motivators could be tested alongside traditional service quality scales used frequently in hospitality as well as scales intended to measure attributes of memorable experiences in tourism. More robust quantitative models would examine the relationships between these scales and various outcome measures like satisfaction, intention to recommend, memorable experience compared to others, and ability to charge a price premium.

For many years, the predominant divisions of economic offerings have been goods and services. With the growing importance of intangible offerings and experiential consumption, the traditional product/service paradigm has become less relevant. At the heart of any transition is an openness to think differently. As experience is considered a mental phenomenon, leaders of organizations whose main economic offering is an experience will benefit from understanding psychological perspectives of value creation. Hospitality and tourism researchers can help by further developing and operationalizing constructs that move beyond traditional service quality. Progressive leaders will change the conversation from a strictly service-related dialogue to one focused on the unique and memorable aspects driving emotional value for the modern consumer.

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