



# Tourism Experience Network: An Interactive Approach

Chouki Sfandla

The 19<sup>th</sup> Nordic Symposium in Nordic Tourism and Hospitality  
Research

Akurery, Iceland, September 22-25, 2010

# Outlines

- Background of the paper
- The purpose of the paper
- Literature review
- Conceptual framework, the 'TEN'
- Conclusion

# Background

- The shift from organisational society to network society –hierarchy failure, market failure, manager lost sight of the market...transformation is needed...etc. A new paradigm is needed that addresses creativity, innovation, information technologies and connections (Frank, 2009)
- The paradigm shift to a new logic adjusted to the “value-creating network society” (Gummesson, 2006)
- The shift from service based network to experience based network (Prahalad & Ramaswamy, 2004)
- The switch from competition approach to inter-firm-based network tourism marketing (Fyall & Garrod, 2005)
- The paradigm shift in service – a demarcation which focuses on value and value co-creation
- Power shift from firms to tourists has led to instability in tourism markets – alternative is to focus on active tourist participators and networks
- The special issue in tourism experiences (the no.1 issue of SJHT, vol. 7 , 2007) has suggested that further theoretical studies are needed to advance our knowledge on tourism experiences

# The purpose

It attempts to challenge previous networks and suggest a framework based on interactive tourism experience approach

It aims specifically is to:

- a) to launch a new theoretical framework, 'TEN'
- b) to identify actors of networks as facilitators of experiences and to include tourists in the service management
- c) to advance and enlarge tourism experience studies through the lens of the Nordic tourism perspective

# Building a theoretical framework

“Development of theory is a central activity in organizational research. Traditionally, authors have developed theories by combining observations from previous literature, common sense, and experience”

(Eisenhardt, 1989)

# Literature review

- Traditional networks (B2B)
  - Relationships and networks in marketing
  - Service and tourism networks
  - Business networks , the ARA-model – interactive approach (IMP-Group)
- The paradigm shift in service (SD-logic and Service Logic)
  - Changes in marketing focus towards value co-creation and interaction
  - Active consumer/tourists
  - Service experiences
- Tourism experiences
  - Co-production and co-consumption of tourism experiences
  - Active tourists, interaction and co-creation of tourism experiences (Flint, 2006; Mossberg, 2007; Sfandla & Bjork, 2009)
  - Tourist involvement during the co-creation of experiences and in the system of interplay (Bjork & Sfandla, 2009)- a network

And of course others...

# Network theory

- Its application can be found
  - in marketing (see e.g. Gummesson, 2006)
  - in applied to B2B (see e.g. Håkansson and Snehota, 1995)
  - General theory from social sciences (see e.g. Degenne and Forsé, 1999)
  - Natural sciences (Barbarasi, 2002)
  - ...etc.

# Two main approaches in marketing networks

- Strategic network- managerial approach
    - It is voluntarily created network
    - It is often created around a focal firm- leadership – 'hub'
    - Hierarchical displayed
    - Disorganised but it can sometime create rigged markets
    - Power dynamism and control
    - It often has relatively passive actors
    - It is represented in the literature as value networks/value nets/nets
    - Types of networks (vertical network, horizontal network and opportunity network)
  - Interactive approach (Nordic approach)
    - It views markets as networks and borderless
    - Firms are interlinked, interdependent and in interactions
    - All actors are active , i.e. 'a collective of actors'
    - Firms operate in linear and non-linear relationships
    - Collaboration and competition exist over time
    - It rejects the leadership in the network- equality
    - Flexible to expand and include other actors
    - The ARA-model is their essential business concept
    -
- NB: Both approaches exclude non-firm actors such as final consumers/tourists/beneficiaries

# Service demarcation

- New logic of service(s)- SD-logic
  - value-in-exchange and value-in-use
- Who and how value is created?
- Provider-customer interaction over time (Payne et al., 2009) (value co-creation)
- It recognises the active participation of consumers/tourists
- Value co-creation between firms and consumers (Vargo & Lusch, 2004)
- The provider should facilitate value for the customer (Grönroos, 2008)
- Active tourist creates his own value (Grönroos, 2004; Ravald, 2010) and own experiences (Sfandla & Bjork, 2009)

# What is value?

- Axiology as a theoretical departure
  - Axios means value and logos means logic /theory
  - Value is often discussed at philosophical and abstract level, and its perception
  - Axiologer deals with "...His task is to be familiar with the fundamental principles and general laws that underlie all valuing..." (Hartman, 1967)

# Cont.

”We evaluate and buy and sell so as to economise resources for the satisfaction of our demands as a whole. Our effective choices are determined by – or are – our relative valuations (our estimates of degree of goodness), because as we truly or mistakenly apprehend it”

(Lamont, 1955:10)

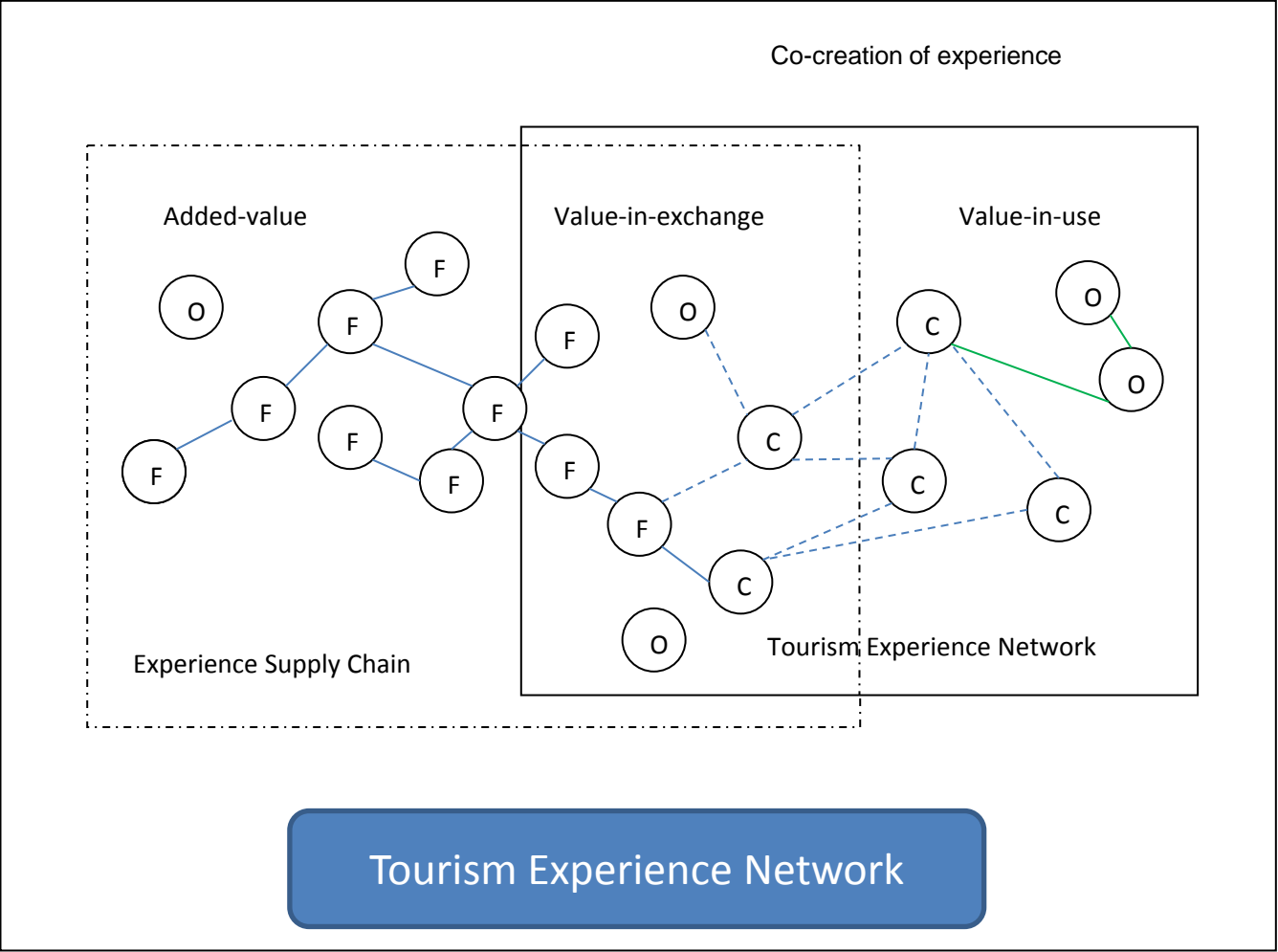
# Value line of thinking in marketing

- Value notions
  - Added-value and augmented-value (Porter, 1985) (supply perspective)
  - Value co-creation and interaction (Wilkström, 1996) (Firm-consumer)
  - Value-in-exchange (production perspective) (Vargo & Lusch, 2004, 2008)
  - Value-in-use (consumption perspective) (Grönroos, 2006)
- Active participation of consumers/tourists
  - Creation of own value and relationships (Gronroos & Ravald, 1996; Ravald, 2010) - activities
  - Integration of resources (operand (firm) and (consumer/tourists) operant resources)- resources
  - Economic and social actors -Integrator of resources (Vargo & Lusch, 2004)- actors
  - The ARA-model – as an inspiration of the interactive approach

# Tourism Experience Network

- Experience is subjective
- Tourism experience is relational
- Tourist is an active actor in a system of interplay – a network
- Tourists are connected, informed, knowledgeable and are actively involved in interactions to achieving their own valuable experiences
- Integration of resources to co-create experiences
- Tourists become a supplier in the experience chain and thus they are somehow contributors for their own memorable experiences
- Tourist firms hence suppose to facilitate experiences and understand the essence of tourism experiences

Yet, tourist should be included in the service management e.g. Tourism Experience Network



# Conclusion

- Facilitation of experiences is a process of turning service into value thinking and capturing experiences from them, and embrace inclusion of consumers.
- Some characteristics of facilitators of tourism experiences
  - Economic competencies
  - Social skills
  - Capabilities
  - Value-creator
  - And has a mental strength to understand the essence of tourism experiences – i.e. experience minded capability

# Cont.

- Tourist firms wish to engage in both the ESC and TEN should embrace:
  - Relationships phenomenon
  - Interdependencies, interactions and connections
  - Facilitations of experiences
  - Accepting participations of consumer/tourists and their engagements and involvements
  - Embracing the value experience paradigm

# Comments, critics and suggestions

Thank you  
for your attention



For further discussion  
Chouki Sfandla  
csfandla@hanken.fi